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SOCIAL JUSTICE

Father Coughlin's Weekly Review

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U. A. W. Board Control Wrested From 'Reds'

Wage Bill "Too Tame" for President

Legislation One Pawn in Court Fight

Congress Spoiled Plan To Rush Unconstitutional Act Through to Certain Defeat

By Staff Correspondent
Of SOCIAL JUSTICE

WASHINGTON, D. C. — It may shock a lot of innocent New Deal adherents throughout the country to learn—and they will learn it for the first time here — that President Roosevelt was privately opposed to the wage-hour bill and never intended that the legislation should have a permanent place in his program.

Reason: it wasn't strong enough for him.

The President urged its adoption solely because he wanted an excuse to resurrect the six-judge Supreme Court enlargement plan at the next session of Congress.

Before the House Committee put a spoke in the President's wheel, White House strategy was to jam an unconstitutional wage bill through this session of Congress and rush it to the Supreme Court for a "test" decision when the tribunal meets in October.

Court Test Of Bill Averted

The President and all constitutional authorities in Congress knew very well what the decision of the court will be. Since the bill contains the same basic legal objections as the old N. R. A.—too much delegation of power to a federal board, for one thing—it is sure to be invalidated.

That is just what the President wanted — a speedy adverse decision. Then he would have a talking point to use against the court in a series of radio and platform addresses he plans to make later this year.

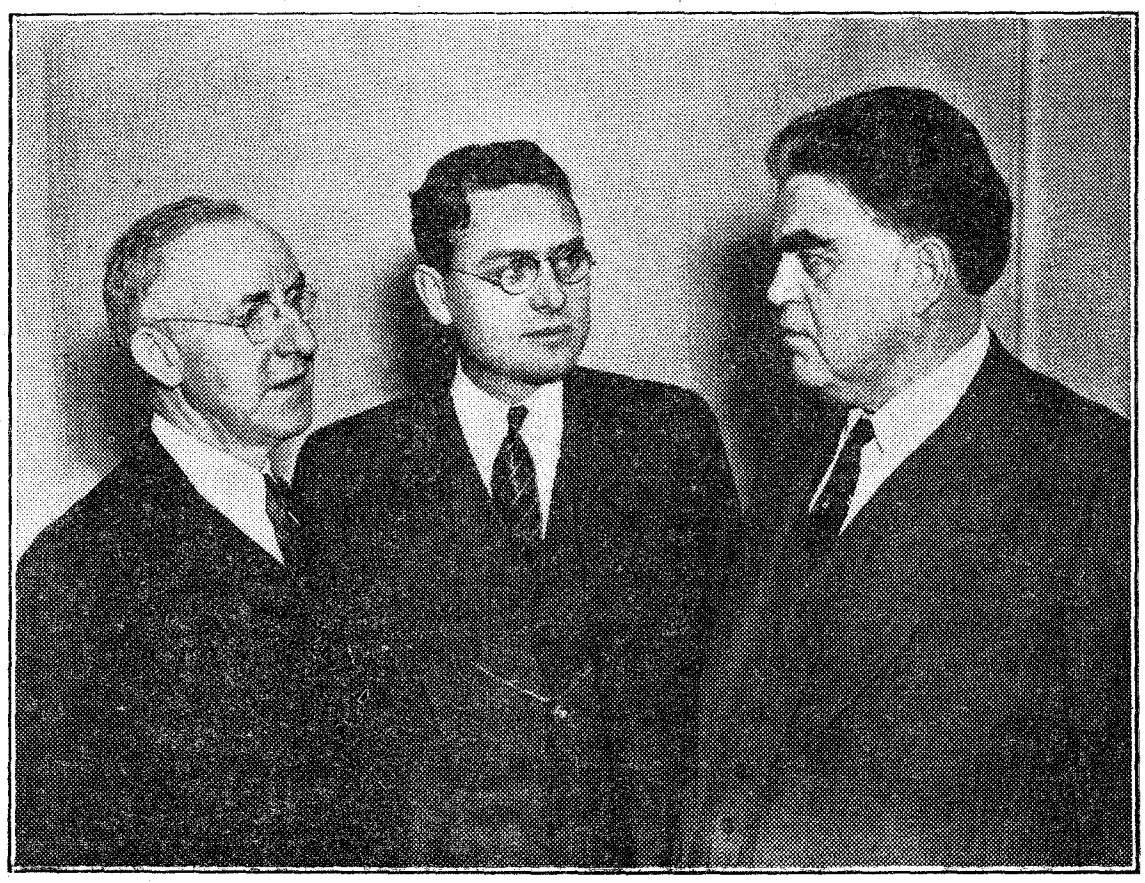
By the time the next session of Congress rolls around he hoped to have the people so inflamed against "reactionary" justices that they will compel their Congressmen to reconsider and pass the judiciary packing bill.

Once this is done, the way would be clear for enactment of a second N. R. A. bill, broader and more drastic than the wage-hour proposal, a new Triple-A farm bill and other monstrosities cooked up by the two-boy brain trust.

Committee Spoils Wreckers' Plot

Fortunately for democracy, the House Rules Committee didn't give Mr. Roosevelt an opportunity to set these developments in train. The committee blocked the wage-hour proposal at the last minute—it had already been approved by the Senate — by refusing to give it legislative right-of-way in the lower chamber.

Leaders Achieve Labor Harmony



The contribution of these leaders of the C. I. O. achieved a compromise in the interest of harmony at the U. A. W. convention in Milwaukee. John Brophy (left), whose prominence as an organization strategist has brought the C. I. O. the endorsement of several influential Catholic leaders; Homer L. Martin, re-elected national president; and John L. Lewis, un-elected boss of the C. I. O., labor dictator of America, and "contact" man with the Russian strategists who are now outlining the American revolution. An Acme picture.

McGrady Joins Parade Of Former New Dealists

When 65 year old Edward F. McGrady walks out of his position as Assistant Secretary of Labor to head the labor relations department of the Radio Corp. of America, he will be one of an ever-increasing number of New Dealers to quit the political ranks.

Roosevelt associates whose departure preceeded Mr. McGrady's, include Raymond K. Moley, editor of Vincent Astor's magazine **Today**, once the No. 1 brain truster; Charles Michelson, lately in the news for accepting a $200 a week salary from the Crosley Radio Corp. as publicity adviser, while receiving $25,000 from the Democratic National Committee; Rexford Tugwell, the former college professor who forsook plans for "a new economic order" to take an executive chair in the American Molasses Co.

Donald Richberg, a one-time N. R. A. chief, now belongs to the wealthy Washington law firm of Joseph Davies, ambassador to Russia. Dean Acheson, who broke with the administration on its monetary policies, and Charles Wyzanski, attorney for the Social Security and labor relations before the Supreme Court, have both joined rich law firms.

Other New Dealers who have been unable to keep their names out of rumored reports include Postmaster General James Farley, who is said to be contemplating a position with Pierce Arrow; Stephen Early, the President's secretary who does not deny that he will accept a well-paying advertising job in New York; and the Corcoran and Cohen combination, who have hinted that they might enter private enterprise.

Martin Gets 15-9 Margin In Councils

Responsibility of Labor And Curb on Communists Cause of Battle In Milwaukee Meeting

Masked under the euphemism of "Progressive" and "Unity" factions, responsible and radical elements in the United Antomobile Workers Association, chief C. I. O. affiliate, battled for dominiance in the Milwaukee convention.

President Homer Martin and Organizational Director Richard T. Frankensteen, of Detroit, Mich., had gone into the convention with the announced intention of fighting for labor's "responsibility," outlawing the "wildcat" strikes of irresponsible radicals and cleaning out, if possible, the Communistic control which has brought American labor into such disrepute.

While re-elected President Martin obtained a 15-to-9 margin of control in the executive board, resistance to the American method of majority rule, from the "rough-house" red faction, brought fist fights on the convention floor which called for the dispatching of reserve Milwaukee police to maintain order at the auditorium.

The Martin faction gained its majority control of the organization by "packing" the board rather than by the elimination of any of the dominant "reds." John L. Lewis, un-elected labor dictator of the C. I. O., whose stirring address achieved the compromise, will therefore be able to report to the next meeting of the Russian revolutionary high command that "the labor situation in America is well in hand."

A stirring defense of Communists in the union was delivered on the convention floor by David Dubinsky. To be sure Dubinsky is not an automobile worker, but spoke as president of the International Ladies Garment Workers union and as a "friend" of John Lewis. Said Dubinsky:

"Sure, we have Communists in our ranks, and as long as they work in the industry they belong in the union."

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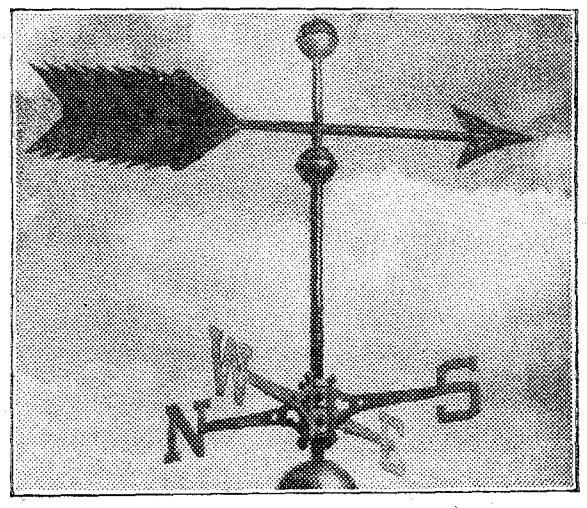

THE INDICATOR

EVERY student who has written on the subject of monetary science has had to bewail the widespread ignorance of the subject, not only on the part of the masses, who are under the yoke of the world's money-masters, but on the part of influential leaders in the fields of politics, education, and religion.

This ignorance is fundamental to the economic evils from which every, man woman and child on the face of the earth is suffering today. For money and credit, in the words of Pius XI are the "life-blood of the entire economic body."

* * *

That money is the key to commerce, the bond that makes possible (and conditions) the exchange of goods and services between men and nations is freely admitted by these leaders of the people.

That they, in the same breath, however, claim that money is a "mystery" understood by only a chosen few who have devoted themselves to life service in the banking profession, indicates the pernicious nature of their self-professed ignorance.

* * *

Every man has a supreme right to be ignorant—in fact it is one of the few inalienable rights which cannot be invaded by any power on earth or in heaven.

But men who pose as leaders of the people, whether in the legislative halls, in the lecture-rooms of universities, or in the pulpits of church or cathedral, have no logical or moral right to be ignorant on a matter so vital to the temporal welfare and the spiritual freedom of mankind as the people's money.

The overpowering importance of money in the social-economic affairs of all men is not a fiction or a fancy. Hard-headed practical men, on the one hand, and great spiritual leaders, on the other, have attested its absolutely dominant influence in human affairs.

* * *

MEYER ANSELM, the founder of the House of Rothschild and the father of modern banking, is historically recorded as saying: "**Permit me to issue the money of a nation and I care not who makes its laws.**"

The transcendent success of the House of Rothschild, over more than a century and a half, conclusively proves that he knew what he was doing and what he was talking about—and he says that **the power to issue money is the supreme power in any nation**—greater even than the law-making power.

* * *

Abraham Lincoln, in the closing days of the Civil War said: "As a result of the war, banking corporations have been enthroned, and **an era of corruption in high places will follow and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until wealth is aggregated in a few hands and the republic is destroyed.**"

* * *

Thus one of the greatest of our presidents, after four long years of struggle against the money power, not only endorsed the dictum of Meyer Anselm, but indicated the extent of the power of those who control money, by previsioning that they would be able to destroy the republic.

* * *

ALMOST by way of summing up the effects which Anselm and Lincoln had predicted, Pope Pius XI, one of the few religious leaders with courage enough to take a stand on the all-important subject of money said, in his encyclical letter published in 1931:

"**It is patent that in our days not alone in wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors invested funds, who administer them at their good pleasure.**

"**This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the life-blood to the entire economic body, and grasping, as it were, in their hands the very soul of production, so that no one dare breathe against their will.**

* * *

"The accumulation of power, the characteristic note of the modern economic order," the Pope goes on, "is a natural result of limitless free competition which permits the survival only of those who are the strongest, which often means those who fight most relentlessly, who pay least heed to the dictates of conscience.

"This concentration of power has led to a three-fold struggle for domination. **First, there is the struggle for dictatorship in the economic sphere itself; then the fierce battle to acquire control of the state, so that its resources and authority may be abused in the economic struggle; finally the clash between states themselves.**"

AFTER reading the three foregoing quotations — all of them from men who boldly claim to know what they are talking about—and after reflecting upon the travail through which the world has been laboring during the last decade, can there be any sane doubt that money is at the root of the world's great problems?

The statements of Anselm, Lincoln and Pius, although separated from each other by decades, fit together and form a convincing whole.

Each deals with the pre-eminent power of the controllers of the issuance of money.

Anselm stated the bare principle. Time has demonstrated that his principle was sound.

Lincoln saw the early workings of the Rothschild formula in this country and predicted its fatal working.

Pius outlined the modern success of the crushing power that Anselm disclosed a century and a half ago.

* * *

Pius summed it all in one short sentence, which is the very heart and point of his authoritative letter to the church.

"**Free competition is dead,**" solemnly Pius pronounced; "**economic dictatorship has taken its place.**"

* * *

Such is the nature of money. Such is the influence of those who control its issuance.

Anselm, Lincoln and Pius spoke of money in terms of its transcendent power over the affairs of men and nations.

Each designate the power over money as the supreme power on earth.

* * *

WHAT are we to think then of so-called leaders of the people, whether they be politicians, professors or clergymen, who claim that money is a mystery that nobody understands?

They are in a very true sense, false shepherds who are fooled when the wolf comes in sheep's clothing. They are unworthy of their leadership.

* * *

Money is a mystery only to those who are either too indolent or too timid to investigate the first principles of political economy.

* * *

Money is no mystery to the true leaders of the people like Pius XI who, alarmed and depressed at the failure of all other expedients to solve great social problems, have delved into the workings of the greatest power on earth and there found the master-key to mankind's miseries.

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N. Y. Groups Are Warned of Politicians

To the Editor:

It might be of interest to readers of SOCIAL JUSTICE, especially in the New York area, to learn that several ex-presidents of former N. U. S. J. units in the Bronx are now busily engaged in organizing La Guardia Clubs for the purpose of assisting in the forthcoming campaign to re-elect the Lewis-C. I. O. and Communist endorsed La Guardia for mayor of New York City. These persons, together I am told with an ex-assistant state supervisor, are soliciting former N. U. S. J. members to join these clubs and to patronize card parties, etc., for the purpose of obtaining funds for the operations of their clubs.

How any person who professes sincere belief in the principles of social justice can put forth effort to re-elect La Guardia is beyond imagination. However, it is only further proof of what some of us in this area learned during the last campaign when these same persons were supposedly bubbling over with enthusiasm for social justice and were thrusting themselves to the forefront in the public activities of the N. U. S. J. and were, to all outside intents, campaigning for the N. U. S. J.—endorsed candidates. In reality they were secretly working for the election of New Dealocrats.

It is therefore no surprise to find these above mentioned persons thus openly engaged, but I most earnestly hope that those sincere members of the National Union will not blindly be led into these organizations nor lend them financial assistance. I know for a fact that these persons are out to get whatever they can for themselves and any blind followers which they may pick up will be used as cat's paws until they get whatever political crumbs that happen to fall from the La Guardia table; then they will drop them like hot coals. They were in the original N. U. S. J. for their own selfish benefit and they are organizing these clubs for the same purpose. After finding that there was nothing to be gotten for themselves from the N. U. S. J. they promptly forgot all about the principles of social justice and for that reason they won't try organizing Social Justice Councils. For that we may be thankful.

I would like to say that if any professing Christians residing in the Bronx who may read this, are sincerely interested in joining a Social Justice Council, we invite them to communicate with us. We do not however, seek any "professional joiners" or those with political ambitions as there will be no place in our council for either.

We will only welcome those Christians who are willing to sacrifice a little of their time to studying the principles of social justice and to helping put those principles into effect.

—**William E. Massey.**
Bronx, N. Y.

Dance Will Wake Them

The Social Justice Council of Garfield Heights, Ohio, a suburb of Cleveland, is sponsoring a barn dance to be held at Rybaks Grove, 6249 Turney Road, Saturday evening, September 11. Mr. Walter Baertschi of Maumee, Ohio, national co-ordinator, will represent Father Coughlin as honored guest and give an address on social justice. The purpose of the dance, the committee announces, is to "awaken Cleveland and its suburbs from their slumber." Proceeds from the event will be contributed toward Father Coughlin's fall broadcasting fund.

Social Justice Presents

Battling Reds in the U. A. W. ..... **Page 1**
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An Editor Takes a Vacation

FATHER CHARLES E. COUGHLIN seldom rests.

In the last eleven years of his fruitful pastorate at Royal Oak, Michigan, he has proved himself the tireless worker.

In the building of the original Shrine of the Little Flower, in the completion of the massive Charity Tower, and then the beautiful new church, Father Coughlin has carried on a program rarely duplicated in so short a period.

Father Coughlin has not only carried through the most exceptional building program but, of course, he has prepared more than 400 radio broadcasts, each to millions upon millions of listeners. To those who know him intimately, this preparation takes time—and more than time. It takes energy greater even than the energy used in delivery.

Beyond building and broadcasting, Father Coughlin has established and edited this national newspaper, **SOCIAL JUSTICE.**

The last 18 months have witnessed in America the establishment and growth of a new kind of paper—a **paper dedicated to the sixteen principles of social justice.**

Yet, building, broadcasting, publishing, all are actual sidelines to the real work which is never neglected—the work of the simple parish priest, whose "parish church" in 1937 has received more visitors than any other parish or church or shrine upon the North American continent!

Father Coughlin has earned his brief rest.

The broad editorial program for **SOCIAL JUSTICE,** carefully laid down by Father Coughlin in establishing this journal, will continue to be carried on.

It is only fair to Father Coughlin, however, to make clear that, in the detailed preparation of the contents of each edition in his absence, the editorial staff is to operate "on its own."

On behalf of the more than 500,000 weekly readers of **SOCIAL JUSTICE,** and in our own, the staff extends to our absent Chief our prayers and heartiest good wishes for a restful vacation.

—**The Editorial Staff**
of SOCIAL JUSTICE.

Few Back Copies Still Available

The continuous, not to saying increasing, demand for back copies of SOCIAL JUSTICE is rapidly exhausting all available supplies. Certain numbers already are so rare as to become almost museum treasures. As frequently reiterated in these columns, **no copy of SOCIAL JUSTICE ever got out of date;** with many of them the perspective of time, and the fulfilment of forecasts, have added to rather than decreased their value.

The following additional dealers or social justice workers have reported supplies of back issues still on hand from which they will be glad to accommodate inquirers in their vicinity:

Alfred Denmark, 32 Lenin Street, Newport, R. I.

Sidney H. Rice, 1811½ Shelley Street, Indianapolis, Ind.

Joseph F. Scheidt, 2412 Fairland Street, Overbrook, Pittsburgh, Pa.

A Message

To Social Justice Councils

In a recent issue of **SOCIAL JUSTICE** a correspondent on the letter page, "The People Speak," reported the following incident:

> "Last evening our doorbell was rung by a man and woman selling the 'Daily Worker' from house to house. When my wife refused to buy it, they announced their intention of remaining until she explained and gave them a reason WHY she wouldn't buy or subscribe."

This incident is cited here not necessarily as a suggestion that ambitious young salesmen for **SOCIAL JUSTICE** make a nuisance of themselves; but as a bit of useful information on the commendable activity and zeal on the part of those interested in Communism.

Paid-up card carrying members of the international Communist movement are numerically inconsiderable; the hosts of those zealous in their cause are legion.

It is not to be assumed that these persons are all "dupes" or conscious deceivers. Many thousands of them sincerely believe that Communism, as the present-day exponent of Marxian collectivism, is the hope of the world. As sincerely, do these persons believe that the spiritual discipline of Christianity is an obstacle to achieving the perfect material order which the bolshevik visualizes. For the one is a **negative** of hate and class warfare; the other a **positive** program of love and brotherly cooperation, of social justice for all, even our enemies.

As for the indifferentist, who believes neither in Communism nor a program of Christian social justice, his choice of direction will be influenced by the fruits of their works. But he will be helped to his choice by the zeal which each takes in its crusade.

If a program of Christian social justice is to fail, in this last stronghold of democracy, it will be due more to the laxity of Christians and to the zeal of Communists than to the relative merit of their respective programs.

We Christian Crusaders have had ample warning: **"But because thou are lukewarm, and neither cold nor hot, I will begin to spew thee out of my mouth"** and again **"our battling is not against flesh and blood, but against principalities and powers—against the rulers of the world of this darkness."**

In this time of organization of Social Justice Councils, as well as in our forthcoming days of action, there will be no more indispensable work than the distribution of the newspaper **SOCIAL JUSTICE.** In its pages is to be found the whole program of Christian social justice for all. It is YOUR paper. It is, furthermore, Father Coughlin's direct and continuous contact with each one of you enthusiasts for social justice.

A reader equipped with the information given him by his latest copy of **SOCIAL JUSTICE** is more than a match in any debate with a man whose information is confined to his daily newspaper. For **SOCIAL JUSTICE starts where the daily press leaves off;** the "story behind the story" is left for **SOCIAL JUSTICE** to tell.

No better crusade for social justice could be carried on these late summer months than for every reader to introduce HIS PAPER to a new reader. The growth of circulation, by hundreds weekly, without circulation drives or prize contests, attests the public hunger for the fuller story than is otherwhere available.

A gift subscription in the name of some friend or interested acquaintance will be an appreciated remembrance from you that will be renewed 52 times in the next year!

The subscription coupon which appears below is printed for your convenience, either in renewing your own expired subscription or for sending in the name of a new subscriber whom you want to become interested in SOCIAL JUSTICE and its program.

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SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

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PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

Non-Aggression

ONE of the strangest things that has happened in the strange course of modern foreign affairs was the recent completion of a non-aggression pact between Soviet Russia and China.

It is difficult to determine what such a pact could possibly mean in the light of recent developments in China.

The Soviet government is naturally not interested in territorial aggression. The vast expanse of the Soviet Republics and Siberia, as the necessity for the recent wholesale executions shows, will take all the attention of the Commissars for years to come. Russia would only take on more troubles and more problems to solve should she expend money and men on the annexation of unneeded foreign territory.

On the other hand, the Communists have spent much money and devoted many men, over the period since the Soviet government was established, in another kind of aggression.

Russia's number one foreign policy has been and is to send official trouble-makers into independent sovereignties for the purpose of fomenting revolution and of preaching the lying doctrine of the rule of the proletariat.

Does the recent Chinese-Soviet pact mean that Russia will stop this type of aggression against China, which is one of the root causes of the Japanese military expeditions into China?

Or, does the pact merely signify, at a time of crisis for China, a closer relationship between the two countries, which will make the revolutionary interpenetration of the vast Chinese nation easier—and at the same time create greater tension throughout the entire Orient?

Misapplied Force

THE maintenance of friendly relations between nations, particularly during recent years, is an extremely delicate process.

Since the passage of the so-called Neutrality Act, and the recent quandary of the President as to the dangers of applying it to the "undeclared" belligerents in China, more and more people have learned just how explosive an international situation can be.

There is, however, an amazingly large group of Americans—in this nation which boasts its love for peace and its intention to remain neutral—who believe that force is the only means to the solution of mankind's problems.

The recent threats of the C. I. O. leaders of maritime workers to declare a strike against the shipment of war supplies to China and Japan is a new example of this tendency to resort to force.

The President is empowered to shut off these exports virtually any time he thinks it is best to do so.

The fact that the President has not felt justified in applying the provisions of the Neutrality Act, in this case of an undeclared war, should suggest to the private citizen that the whole business is bound up not only with our neutrality as a nation, but with our very peace.

It may not be fatal for large groups of our people to apply the psychology of force to our domestic economic affairs—at least for a time—but the application of unthinking force to our international relations is quite another and a far more serious matter.

The Pot and the Kettle

ATTORNEY GENERAL CUMMINGS has agreed to investigate the charges made by Representative Bertrand Snell that the administration had violated the Corrupt Practices Act, by selling out-of-date campaign books garnished with the signature of the President of the United States.

There never has been a case in political history, of course, where such an investigation did not end in a complete whitewash. A political party, investigating itself, does not find itself guilty. That would be too much to expect.

In this instance the certainty of a whitewash is to be assumed from the recent aggressive statement of the Democratic National Committee in which the Republicans were charged with, of all things, violating the Corrupt Practices Act. It seems that they accepted large contributions from the DuPont and Pew families.

Are the American people going to be deceived by this ancient political trick?

Whether or not the Republicans are "black" does not make the New Deal any the less "black."

Many citizens will find more than a breach of the law in the extortion of money from "economic royalists" by the use of the President's signature.

They feel that, when the breath of corruption comes so close to the highest office within the gift of the people, there is something more sacred involved than even the Corrupt Practices Act.

EYES and EARS

By Mark Meechan

SENATOR GUFFEY, WPA-political boss of Pennsylvania, is considered as much a part of the New Deal as is Jim Farley.

Guffey has worked harmoniously and consistently with the New Deal program, and he has been one of the President's staunchest supporters and defenders in the Senate.

It has always been more than a little bewildering to the uninformed that a man with Guffey's record should have been identified with "the enemies of the economic royalists."

Guffey, if you didn't know, learned the tricks of the politician's trade as a Washington lobbyist for the big steel interests. He is the long-time minion of the high economic royalty of the Mellons.

When you consider these aspects of Mr. Guffey, you need not be surprised that quite a turmoil descended upon the Senate, on the closing day of the session, when it was learned that Guffey had teamed up with the President in the campaign, started on Virginia Dare's birthday, to purge Congress of those Democrats who defended the Constitution against Rooseveltian aggression.

Senator Guffey's speech, broadcast over a large chain of radio stations, was, of course, much more direct and candid than the generalized demagoguery of the President at Roanoke Island.

Guffey flatly branded Senators Burke and O'Mahoney as ingrates, and predicted their defeat by an enraged electorate when they come up for re-election.

He charged Senator Wheeler with repudiation of the program on which he was elected.

Guffey couldn't charge Senator Wheeler with ingratitude. Wheeler was fighting for the liberal cause as a member of the Senate long before Roosevelt, or Guffey, were heard of—in fact, at a time when both were living the life of economic royalty.

* * *

Nobody in Washington questions the charge that Guffey is collaborating with the New Deal high command in a campaign of reprisals against the members of Congress who voted according to the dictates of their own consciences and against a dominant executive.

Millions of Americans, who honestly voted for the President in the belief that he was honestly proposing a new deal, began to wake up on February 5, the day the Supreme Court was sentenced to death. When they find men of Guffey's type

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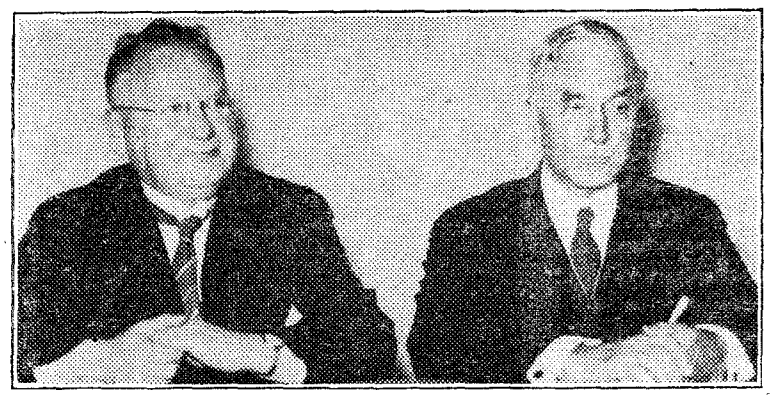
American Miners Lose By Russian Coal Treaty



An acquaintanceship of long standing. Foreign Commissar of Russia Maxim Litvinov and Secretary of State Hull are pictured in Washington at a discussion of foreign relations in 1933 before the United States had officially recognized the Soviet Union government.

Loss of $4,900,000 Is Sustained by American Industry to Promote Soviet Friendship

Of special interest to American miners who had hoped to recoup their wages lost in strikes, by steady work in American mines, was the statement released by Secretary of State Hull on August 6, concerning the continued importation of coal from Russia. The release is quoted in part:

A commercial agreement entered into on August 4, 1937, between the United States of America and the Union of Soviet Socialist Republics with a view to continuing favorable commercial relations and to increasing trade between the two countries was today proclaimed by the President of the United States and approved by the Soviet of People's Commissars of the Soviet Union. It was effected by an exchange of identic notes at Moscow between the American ambassador Mr. Joseph E. Davies, and the People's Commissar, Mr. Maxim Litvinov.

The government of the United States undertakes by the new agreement to accord to the commerce of the Soviet Union **unconditional most-favored-nation treatment**, with a reservation in respect to coal. Under this agreement, the Soviet Union will continue to receive the benefits of concessions granted by the United States in trade agreements entered into under the authority of the Trade Agreements Act. Under the policy of this act, tariff concessions granted under trade agreements are applicable to imports from third countries, which do not discriminate against American commerce or otherwise pursue policies or take actions which tend to defeat the purposes of the Trade Agreements Act.

The reservation with respect to coal is similar to that included in the most favored nation provisions of the trade agreement with the Netherlands. By virtue of similar most-favored-nation provisions and a corresponding reservation in respect of coal in the trade agreement with the Netherlands, imports of coal from the Netherlands at the present time are being admitted ***exempt from the tax.*** *With respect to* imports of coal from the Soviet Union the government of the United States has been informed by the Soviet government, in connection with the new agreement, that exports of coal from the Soviet Union to the United States in the course of the next 12 months *will not exceed 400,000 tons.*

However complicated the wording may seem, the essential fact is that 400,000 tons of coal mined in Russia will be imported by the United States during the coming year, minus the tariff of $2 a ton imposed on nations not designated as most-favored.

American miners have only facts from which to draw their conclusions. They know that for the last year they have been kept from their work by continuous strikes, only to find that when they returned to the mines, there was not as much work because of the lessened demand. They have never proven conclusively for themselves, although they have told and suspect that **there has been for quite a time, some kind of an unholy alliance between the Communist leaders who take their orders *from Russia, and their own rulers* in the C. I. O.** Now they are informed by their Secretary of State that the market from which they expected to profit and somehow recover part of their loss from previous strikes, **has been turned over to the miners in Russia to the tune of 400,000 tons of coal, or an approximate cost of $1,200,000 to American miners, $2,300,000 to American producers, and $1,400,000 to American railroads.**

Labor Rumors Add to Problems Facing Heads of Union Groups

Does Hillman's Favor At White House Mean Lewis Is Through As Labor's Man of the Hour?

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C. — A triology of startling rumors smote the fevered brow of organized labor recently and added to the confusion that has reigned ever since John L. Lewis made his dramatic break from the American Federation of Labor and launched the insurgent Committee for Industrial Organization.

The rumors are:

(1) A movement is afoot in the A. F. of L. executive council to unseat President William Green when he comes up for re-election at the Federation's next national convention in Denver, Colo. The convention will open October 4.

(2) Sidney Hillman, David Dubinsky, Max Zaritsky and other leaders of radical elements are conspiring to oust John L. Lewis as head of the C. I. O.

(3) A peaceful settlement of differences, followed by a speedy consolidation of the A. F. of L. and the C. I. O.—with the latter as the ruling power—is imminent.

So far as SOCIAL JUSTICE has been able to ascertain, and at the present time, these reports are calculated to make good newspaper copy, and that's about all.

Green Strong With Labor File

While highest sources in the A. F. of L. readily agree there is some animus against Green amongst them, they refuse to concede the possibility that he will meet with any "serious" opposition in the October election.

Certain of his brother leaders roundly condemn Green for "playing a lone hand" in the drive for passage of the wage-hour bill. Represented at first as being against the bill, the A. F. of L. chief is reported to have changed his stand after a visit to the White House. This led critics to remark that Green was "turning the other cheek" in view of the double-crossings President Roosevelt and Secretary of Labor Perkins have been handing the A. F. of L. since the Lewis split.

Green

If precedents are served, however, the dissension will probably vanish by the time the convention rolls around.

"Mr. Green will be re-elected without a struggle," a member of the executive council who is identified with the "ouster" movement told SOCIAL JUSTICE at press time.

The 1937 Labor Front

"The More Abundant Strife"
—Manning in the Phoenix, Arizona Republic.

Hillman Head Man in C. I. O.

Anent rumor number two, John L. Lewis is no longer the dictator of the C. I. O., but he won't be tossed out of the leadership — not yet anyway. He's too valuable a "front man" for the Communists to ditch.

Hillman

As predicted some time ago in SOCIAL JUSTICE, **the reds are only "using" Lewis to give the C. I. O. a passable American tone. Only when he has outlived his usefulness in this rehpect will he be kicked out.**

Actual control of the C. I. O. has passed into the hands of Sidney Hillman. He runs the show from backstage. Incidentally, associates say Hillman is very provoked at Lewis because of the latter's "break" with the White House.

A. F. of L. Free Of Reds Now

According to insiders, Lewis lost caste with President Roosevelt because of a recent statement that "enough labor legislation has been enacted already" with the passage of the Wagner Act. He also caused strained relations by condemning the administration for withdrawing its support in his battle with the steel magnates.

Regarding rumor number three, the A. F. of L. executive leaders have no present intention of merging with the C. I. O. For one thing, the Lewis bolt has purged the Federation of Communist influences and Green doesn't wish to open the doors to them again.

For another, it is a recognized fact that a consolidation would result eventually in Sidney Hillman and Moscow getting control of the entire American labor movement.

Labor Highlights

Some Railroad Employes Receive Wage Boost

CHICAGO, ILL. — Railroad employes belonging to the 14 "non-operating" Brotherhoods received a salary raise of 5 cents an hour at the beginning of August. The change will affect 800,000 railroad employes. The wage boost was a compromise on the 20 cent increase for which the Brotherhoods had asked. The Illinois Central system announced that the salary increase would necessitate the discharge of some employes. The pay boost will cost the company $2,800,000 annually. The Burlington Road announced that 300 men would be laid off to make possible the increase of $3-million a year in the company pay checks.

At Omaha, Neb., the Union Pacific Railroad released the statement that it **"has not made and does not anticipate reductions in forces purely for the purpose of off-setting wage increases."**

Quill to Run In New York

NEW YORK, N. Y.—That the organization facilities of labor unions will be used to promote political ambition is no longer in the shadow of a rumored intention. The Transport Workers Union of New York has announced that its president Michael J. Quill, will lead the labor slate for councilman from Bronx borough in New York. The executive board of the union which approved his nomination, immediately adopted a resolution placing the members of his union on record as actively supporting him. Douglas MacMahon, head of the Brooklyn Transit Workers organization committee, announced himself ready to accept the candidacy of councilman from Brooklyn on the Labor party ticket.

Union "Packs" Hollywood Company

LOS ANGELES, CALIF.—The C. I. O. strike at the Hollywood-Maxwell Co. has the company officials fearing that the "packing" craze has become too common for comfort. Dr. J. R. Bowen, head of the company, explained that of the 82 employes, but 24 went on strike. It is significant that of the 24 who struck, **all but four began work there less than three months ago.** Although only 24 men were onstrike, (20 of whom were imported for the controversey) there are sometimes as many as 200 persons picketing the shop.

"No Outside Agency To Run Project!"

LOS ANGELES, CALIF.—Threats of strike by workers on the San Jacinto tunnel project of the Colorado River aqueduct, have gone unheeded by the directors of the project. Spokesmen for the International Union of Mine, Mill and Smelter Workers, demanded recognition as the sole bargaining agent. The demands were refused because they would conflict with previous labor policies. The directors regarded the construction of the aqueduct as too great a public responsibility to be delegated to an outside agency such as the union requesting it.

Aliens Dropped From W. P. A. Rolls

SCRANTON, PA. — Thomas F. Kennedy, branch manager of the W. P. A., recently announced that 122 aliens had already been dropped from W. P. A. payroll in his district, and that the citizenship of about 300 others is now under investigation. Meanwhile attaches at the naturalization office in Washington have been working at top speed to accommodate applicants for citizenship, many of whom are W. P. A. workers seeking to retain their relief jobs.

Non-Unionist Routs Unwelcome Callers

PHILADELPHIA, PA. — Because Russell Gates had not signed up with the C. I. O., his home was raided, and one young unionist was shot and wounded when a group of six "callers" attempted to decide Gate's union relations for him. The 19 year old non-union worker said that he fired a shotgun at the unionist, when the latter knocked the boy's mother to the porch floor and ripped her clothing.

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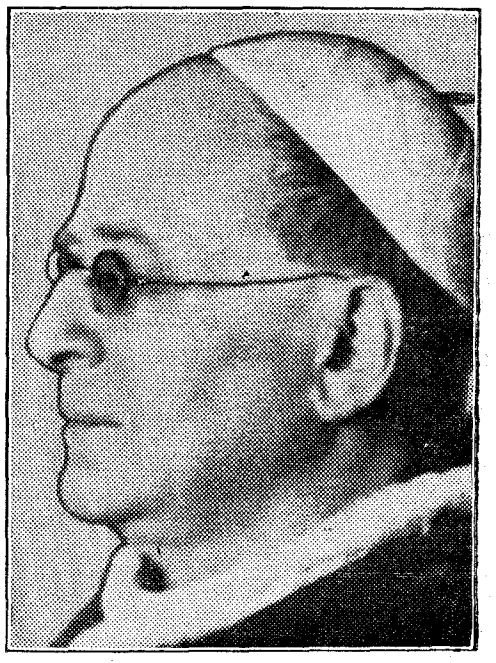
The Pope Speaks Officially . . .

In order that the encyclical "On the Reconstruction of the Social Order" by Pope Pius XI might be more readily comprehended by the lay reader, SOCIAL JUSTICE is reproducing this famous letter ("Quadragesimo Anno") in question and answer form. The questions are stated by Father Coughlin and the answers in every case are directly quoted words of His Holiness.



THE REMEDIES

CHAPTER XI

1. Your Holiness has indicted modern capitalism, socialism and modern business. Moreover Your Holiness grieves over the loss of souls resulting from the terrible injustices practiced on the poor. Besides pointing out the evils which must be corrected, what would Your Holiness say is the chief and first reform to be inaugurated?

Economic life must be inspired by Christian principles. As a remedy for this pitiable ruin of souls (which, if it continues, will frustrate all efforts to reform society) there can be no other than a frank and sincere return to the teaching of the gospel. Men must observe anew the precepts of Him Who alone has the words of eternal life—words which, even though heaven and earth be changed, shall not pass away.

2. But many economists maintain that the old order which Your Holiness condemns is good enough. Do well-informed Christian economists, including yourself, hold such a view?

No. All those truly versed in social matters demand a rationalization of economic life which will introduce sound and true order.

3. How can this sound and true order be realized and rendered practical?

This order, which we ourselves desire and make every effort to promote, will necessarily be quite faulty and imperfect unless all man's activities harmoniously unite to imitate and, as far as humanly possible, attain the marvelous unity of the divine plan.

4. What does Your Holiness mean by this marvelous unity of the divine plan?

This is the perfect order which the Church preaches and which right reason demands. It places God as the first and supreme end of all creative activities and regards all created goods as mere instruments under God to be used only insofar as they help towards the attainment of our supreme end.

5. Your Holiness practically says that the goods or wealth should be used for man's salvation. Moreover, Your Holiness practically says that goods or wealth should not be regarded merely as instruments of profit but should be looked upon as instruments to be used only insofar as they help towards the attainment of our supreme end? Will Your Holiness be more specific?

God the Creator placed man upon the earth to work it and use it in various ways in order to supply his needs. Those who are engaged in production are not forbidden to increase their fortunes in a lawful and just manner. Indeed, it is just that he who renders service to society and develops its wealth should himself have his proportionate share of the increased public riches, provided always that he respects the law of God and the rights of his neighbor, and that he uses his profit according to the precepts of faith and right reason.

If these principles be observed by all men, everywhere and at all times, not merely the production and acquisition of goods, but also the use of wealth, now so often uncontrolled, will within a short time be brought back again to the standards of equity and just distribution.

6. In effecting this reform what chief virtue must play a leading part?

In effecting this reform charity, which is the bond of perfection, must play a leading part.

7. But can charity take the place of justice?

Charity cannot take the place of justice where justice is unfairly withheld. But even though a state of things be pictured in which every man receives at last all that is his due, a wide field will still remain open for charity.

Justice alone, even though most faithfully observed, cannot remove the cause of social strife and can never bring about a union of hearts and minds. This union, binding men together, is the main principle of stability in all institutions (no matter how perfect they may seem) which aim at establishing social peace and promoting mutual aid. Lacking this union, as repeated experience proves, the wisest regulations come to naught.

8. Specifically, what does Your Holiness mean by this harmonious union?

When all sections of society have the intimate conviction that they are members of a single family and children of the same Father and, furthermore, that they are "one body in Christ and every one members one of another."

9. Your Holiness therefore impresses upon us the necessity of living according to the doctrine of the mystical body of Christ. When that doctrine of the mystical body is believed and practiced, what will be the result?

The rich and others in power will change their former negligence of their poor brethren into solicitous and effective regard. They will listen with kindly feeling to the just complaints of the poor. They will readily forgive them the faults and mistakes possibly they make.

Working men will lay aside all feeling of hatred and envy, which the instigators of social strife arouse so skillfully. Working men will cease to weary of the positions assigned them by Divine Providence and human society and will become proud of them, well aware that every man, by doing his duty, is working usefully and honorably for the common good and is following in the footsteps of Him Who, being in the form of God, chose to become a Carpenter among men and to be known as the Son of a Carpenter.

10. Has Your Holiness a word of praise to say to bishops, priests and clergymen relative to their action and duty in building up this Christian concept of charity and of the mystical body of Jesus Christ?

Yes. You, Venerable Brethren, who, by ordinance of the Holy Spirit, rule with Us the Church of God are laboring strenuously and with admirable zeal in all parts of the world, not exclusive of the sacred Missions among the pagans, towards this same end of capital importance and necessity today.

Moreover, (there is a word of praise) for all those of the clergy and laity whom we rejoice to see daily taking part in this great work and affording valuable help. . . . With repeated insistence we exhort all these in the Lord to spare no labor and to be overcome by no difficulty, but daily to take more courage and be valiant. Our praise is likewise extended to associations of the working men. The associations of working men themselves provide glad signs of coming social reconstruction. To the great joy of Our heart We discern amongst them dense masses of young workers who listen readily to the call of divine grace and strive with splendid zeal to win their fellows in Christ. No less praise is due to those leaders of working men's organizations who, sacrificing their own interests, and anxious only for the good of their companions, strive with prudence to bring their just demands into harmony with the prosperity of their entire vocational group, nor by any obstacle or misgiving do they permit themselves to be deterred from this noble task. Further, many young men, destined soon by reason of their talents and their wealth to hold distinguished places in the foremost ranks of society, are studying social problems with growing earnestness. These youths encourage the fairest hopes that they will devote themselves wholly to social reforms.

11. Have you a further admonition to your Venerable Brethren and beloved children?

Yes. Present circumstances indicate clearly the course to be followed by them. Nowadays, as more than once in the history of the Church, we are confronted with a world which in large measure has almost fallen back into paganism. In order to bring back to Christ these whole classes of men who have denied Him, we must gather and train from amongst their very ranks auxiliary soldiers of the Church, men who know their mentality and their aspirations, and who with kindly fraternal charity will be able to win their hearts. Undoubtedly the first and immediate apostles of the working men must themselves be working men, while the apostles of the industrial and commercial world should themselves be employers and merchants. It is your chief duty, Venerable Brethren, and that of your clergy, to seek diligently, to select prudently, and train fittingly these lay apostles, amongst workingmen and amongst employers.

No easy task is here imposed upon the clergy, wherefore all candidates for the sacred priesthood must be adequately prepared to meet it by intense study of social matters. It is particularly necessary, however, that they whom you specially select and devote to this work show themselves endowed with a keen sense of justice ready to oppose with real manly constancy unjust claims and unjust actions; that they avoid every extreme with consummate prudence and discretion; above all, that they be thoroughly imbued with the charity of Christ, which alone has power to incline men's hearts and wills firmly and gently to the laws of equity and justice. This course, already productive of success in the past, we must follow now with alacrity.

Further, we earnestly exhort in the Lord the beloved sons who are chosen for this task, to devote themselves wholeheartedly to the formation of the men entrusted to them. In the execution of this most priestly and apostolic work, let them make opportune use of the powerful resources of Christian training, by instructing youth, by founding Christian associations, by forming study circles on Christian lines.

Above all, let them hold in high esteem, and employ with diligence for the benefit of their disciples the spiritual exercises, a most precious means of personal and of social reform, as We said in Our Encyclical "Mens Nostra."

L'Envoi

The world has nowadays sore need of valiant soldiers of Christ, who strain every thew and sinew to preserve the human family from the dire havoc which would befall it were the teachings of the Gospel to be flouted, and a social order permitted to prevail, which spurns no less the laws of nature than those of God. For herself the Church of Christ, built upon the solid rock, has nothing to fear, for she knows that the Gates of Hell shall not prevail against her; and the experience of centuries has taught her that storms, even the most violent, pass, leaving her stronger and triumphantly victorious. But her maternal bosom cannot but be stirred at the thought of the countless ills which tempests of the world occasion to so many thousands; at the thought, above all, of the immense spiritual evils which ensue, entailing the eternal

(Continued on Page 7)

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H. L. Nunn Finds World Capitalism Slow to See Faults

From The Echo, Buffalo, N. Y.:

No Christian captain of industry has yet seen the glorious vision of a Christian order among workers and owners or felt the tingle of the high romance of conducting an enterprise that held up as objectives the furtherance of human and spiritual values rather than the accumulation of material gains.

We are sadly reminded of this upon reading the comments regarding the end of capitalism made by Henry L. Nunn, president of the Nunn-Bush Shoe Co., Milwaukee, Wis., who recently returned from a tour of Europe. He does not believe that capital, especially in Europe, will change the concept which holds that labor is a commodity, a raw material to be bought and paid for at the whim and will of the employer.

"I have a little more hope," he declared, "that capital is changing its attitude toward labor and realizes that labor must have a share of the goods it produces. Raising wages and cutting hours is undoubtedly another noble experiment, but that is not striking at the fundamentals; it is not what labor needs. Everything labor gains by these methods with one hand as a producer, labor must pay out with the other hand as a consumer in that prices are increased. Labor must be taken out of the field of commodities. In this country there is little more hope of capital accepting labor on an equal basis with itself. If that is done their interests become mutual; the conflict between the two, which has done and is doing so much to retard industry, will cease.

"Labor is no longer going to produce wealth," Mr. Nunn predicts, **"on a basis of so much per hour for capital to enjoy.** Labor is being educated to the point where it realizes its inherent right to share in the profits of a business along with capital. Factory workers abroad are not as intelligent as they are in this country but they are no longer as ignorant as they were. In the rural sections of England, for example, the workers in a factory still belong to the same church their master belongs to; in London, the workers are listening to the labor leaders."

Mr. Nunn believes that even with clean cities and rich fields in Germany the workers there are not contented, that Naziism is but a prelude to Communism—unless, of course, capital wakes up and realizes that labor is a partner, no longer a raw commodity.

World Marks Time While English Arm

Paul Mallon, Washington correspondent for a number of newspapers, is writing a series of foreign observations. Mallon has been under fire from the port guns of SOCIAL JUSTICE, as the crusade for social justice has endured the "overs" and "shorts" of his barrage from time to time, but his production for a "kept press" does not detract from his keenness as an observer. Readers of SOCIAL JUSTICE are entitled to this recent comment from London in his copyrighted series:

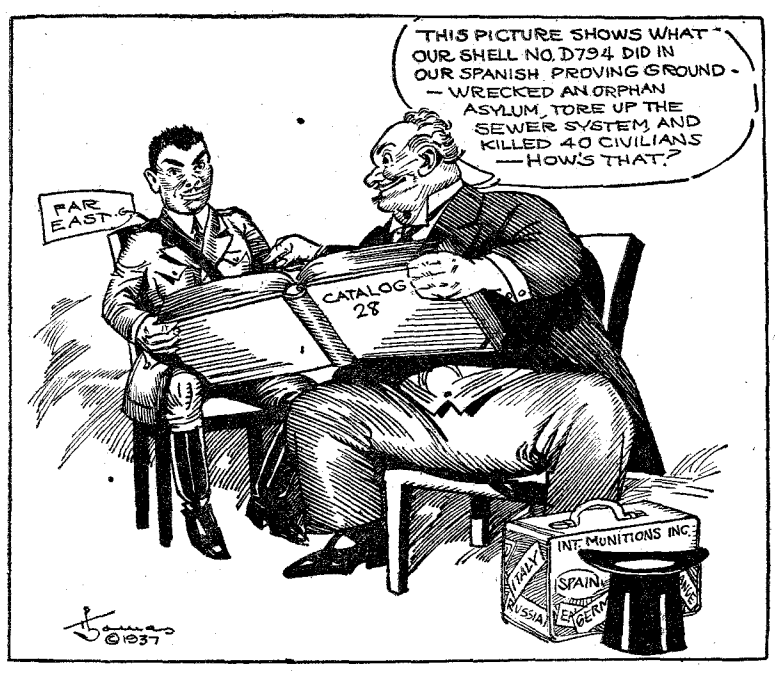
"There is nothing over here for the United States. American statesmen might just as well go ahead with any **plan they have toward achieving** as much of a self-contained future as they can.

"Sir John Simon seems to be calling Mr. Morgenthau on the telephone every day or so. They are working very closely on the mechanics of managing the currencies of the world. **That telephone friendship will get closer;** and there may be some pressure from here soon to make it too close for our comfort, **because the British are looking hard for a hand to hold.**

"Eden has been talking like another MacDonald. They do not seem to be able to make up their minds as to what to do about Hitler and Mussolini, but they are not as dumb as they look. They are wisely waiting, and as long as they wait, the world will wait. What they seem to be playing for are two developments which they regard as more or less reasonably certain: (1) the blowup of the dictatorships; and/or (2) the moment their British rearmament program reaches the point where they can afford to get tough.

"England will be ready with her armaments in two or three years. Everywhere you see the signs of quiet but amazing activity. You see naval planes maneuvering in the fog as you land at Southampton; you see motor lorries hustling along all the main roads; war games off the coast; plane maneuvers; munitions factories working 24-hour shifts; land planes experimenting with night flights in the peaceful countryside of Yorkshire.

"A citizen in Stratford told me he could not get a maid or a gardener of any ability because the munitions factories are taking all the help."


THIS PICTURE SHOWS WHAT OUR SHELL NO. D794 DID IN OUR SPANISH PROVING GROUND — WRECKED AN ORPHAN ASYLUM, TORE UP THE SEWER SYSTEM AND KILLED 40 CIVILIANS —HOW'S THAT?
FAR EAST
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"His Business Is Booming"

—Thomas in Detroit News.

Great Middle Class Still Not Heard From

From Our Sunday Visitor
Huntington, Ind.:

Our Sunday Visitor was probably the first to criticize the employment of radicals by the C. I. O. for organizing purposes, and it, in turn, was criticized by a number of individuals for assuming that an organization which had some Catholics at the top would make any mistakes in that direction. But now our critics have seen the light, and there present attitude is in perfect agreement with what we held to be factual from the beginning.

Surely the laboring man has no greater friend in America than Father Cox of Pittsburgh, who, in 1932, was commandeered by labor in Pittsburgh and in many other cities to run as its candidate for President of the United States.

Father Coakley of Pittsburgh, whose judgment is highly respected in his community, is also critical of the methods employed by John Lewis and believes that the Wagner Labor Relations Act will have to be amended if justice is to be accorded to both industry and labor for permanent peaceful relations.

Michael Williams, editor of the **Commonweal,** who has been a 100 per cent supporter of the New Deal, and especially of the unionization of all labor, is now saying the things which we said early last April. Editors of other Catholic publications are writing in the same strain.

Father Cox writes as follows:

"Permit me to emphasize the fact that I am, always have been and always will be a union man, one who believes in unionism. It is right and proper that we have collective bargaining to determine just wages, hours and working conditions. The tactics being employed today by so-called union racketeers are as unjust and repugnant to me as the injustices of child labor and the sweat shop of other days. The pendulum of injustice has swung from the 5 per cent of the unjust old privileged class who ruled before the depression to the 15 per cent represented in the 1937 mushroom labor ranks of today.

"Between the 5 per cent and the 15 per cent are 80 per cent of the American people who have human rights which are as sacred to them as property rights or collective bargaining rights.

"It seems to me that the middleman of America has not yet spoken, **the millions who did not vote New Deal are a power to be reckoned with.** They will speak definitely and soon. It seems to me this so far silent 80 per cent, irrespective of political affiliations, should rally round the flag as in every emergency when it has been threatened and demand that law and order and constitutional guarantees be preserved in the United States of America."

Anchoring to Democracy

From The St. Louis Dispatch:

With incredible effrontery, Mr. Roosevelt reopens the whole question of packing the Supreme Court and sets it up as unfinished business of his administration.

"My anchor," he said, "is democracy and more democracy." In the light of the President's actual performance, the statement increases the suspicion that he is not satisfied short of complete mastery over the government, and places the country on guard against this ruthlessly ambitious man.

We See By the Papers

Radical Leaders Praise C. I. O. Party

Associated Press News Dispatch:

Two left wing presidential candidates in the last election speaking at Napanoch, N. Y., hailed the Committee for Industrial Organization as the foundation stone for a Labor Party in the United States.

Earl Browder, Communist candidate for president in 1936, urged formation of a Farmer-Labor Party as "the American equivalent of the People's Front in France."

"This new party that is begining to take shape is what we Communists have in mind when we speak of a national Farmer-Labor Party, the American expression of the People's Front."

Norman Thomas, national chairman of the Socialist Party and Socialist nominee last year for president, disagreed on the necessity for a popular front but agreed the C. I. O. was the route a Labor or Farmer-Labor Party must take.

Acknowledges Debt To Encyclicals

From the Catholic Times
London, England:

"President Roosevelt admitted to me that he had found the Papal encyclicals very useful in questions of social policy."

Rev. Dr. Grimley, D.D., Ph.D., made this statement to The Catholic Times on his return from a lecture tour in the United States.

Cardinal-Primate Of Spain Tells of War

From the Catholic Daily Tribune
Dubuque, Iowa:

"It has been said that the Church in Spain had to choose between the rabid persecution of atheistic Communism or the servility of totalitarian Fascism. This is not true." These are the words of his Eminence Isidro Cardinal Goma y Tomas, archbishop of Toledo and Primate of Spain.

"This war is a war of principles, of one civilization against another, of Marxist against the spiritual values of our Christian civilization.

"On one side the encampments are converted into temples and religious fervor and a providential sense animate both officers and privates, while on the other 11 bishops and thousands of priests have been murdered, a great number of churches have been destroyed, and there has been unleashed satanic fury against religion."

Chapter XI of Pope Pius' Encyclical . . . Concluded

(Continued from Page 6)

ruin of so many souls redeemed by the Blood of Christ.

No stone, then, must be left unturned to avert these grave misfortunes from human society.

Towards this one aim must tend all our efforts and endeavor, supported by assiduous and fervent prayers to God. For, with the assistance of Divine Grace, the destiny of the human family lies in our hands.

Let us not permit, Venerable Brethren and Beloved Children, the children of this world to seem wiser in their generation than We, who by God's goodness are Children of Light. We see those men cunningly select and train resolute disciples, who spread their false doctrines daily more widely amongst men of every station and of every clime.

And when it becomes a question of attacking more vehemently the Church of Christ, we see them lay aside their internal quarrels, link up harmoniously into a single battle-line, and strive with united forces towards this common aim.

No one indeed is unaware of the many and splendid works in the social and economic field, as well as in education and religion laboriously set in motion with indefatigable zeal by Catholics. But this admirable and self-sacrificing activity not infrequently loses some of its effectiveness by being directed into too many different channels.

Let, then, all men of good will stand united. Let all those who, under the pastors of the Church, as far as talents, powers and station allow, strive to play their part in the Christian renewal of human society, which Leo XIII inaugurated in his immortal Encyclical "Rerum Novarum." Let them seek not themselves and the things that are their own, but the things that are Jesus Christ's. Let them not urge their own ideas with undue impatience, but be ready to abandon them, however admirable, should the greater common good seem to require it; that in all and above all Christ may reign and rule, to Whom be honor and glory and power forever and ever.

That this happy result may be attained, Venerable Brethren and Beloved Children, we impart to you all members of the great Catholic family entrusted to Our care, but with special affection of Our heart to artisans and other working men engaged in manual labor, by Divine Providence committed to Us in a particular manner, and to Christian employers and masters, with paternal affection, the Apostolic Benediction.

Given at Rome, at Saint Peter's the fifteenth day of May, in the year, 1931, the tenth of Our pontificate.

PIUS PP. XI.

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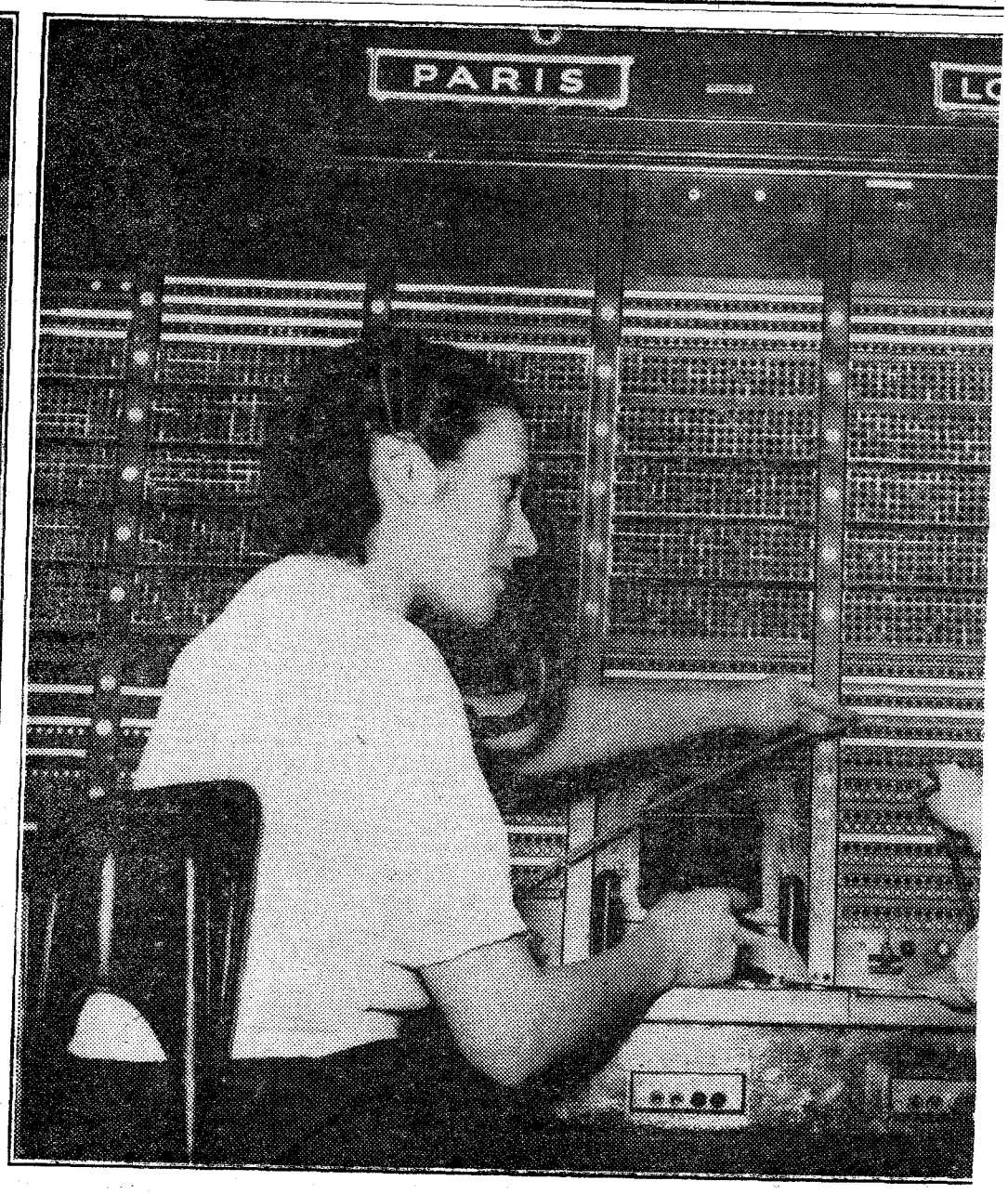
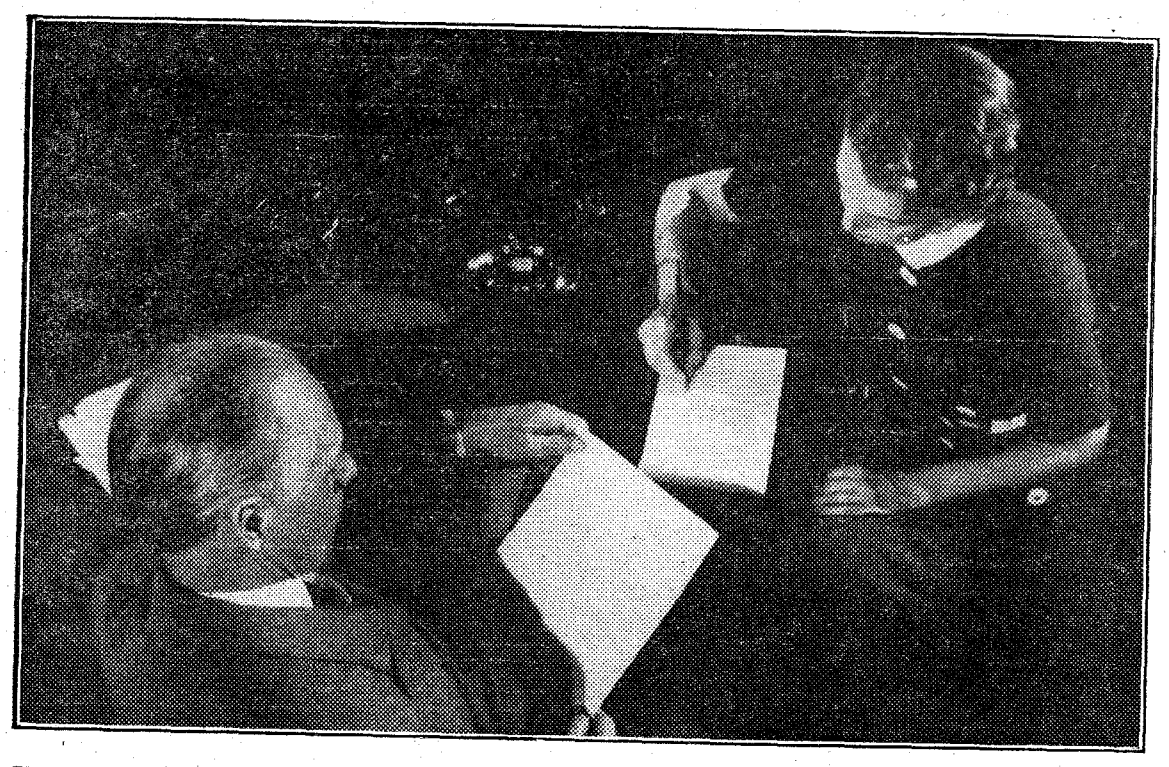


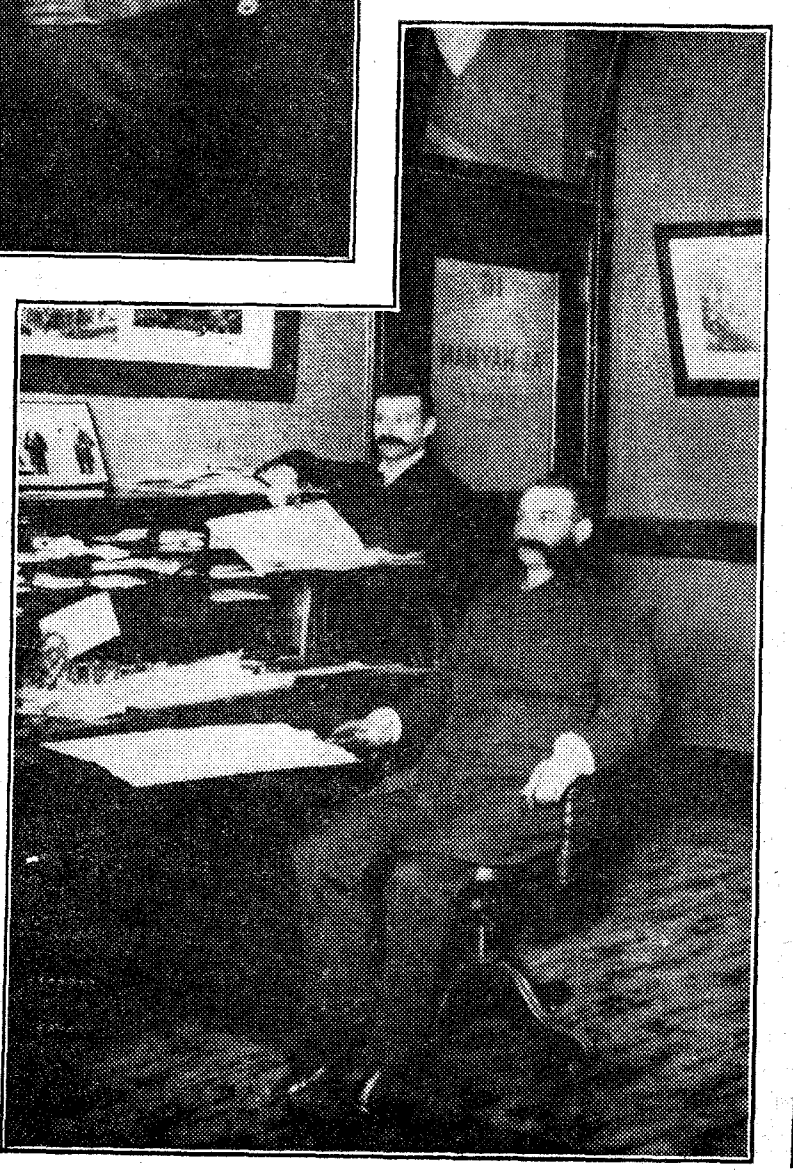
Grandmother knew the "lampshade" telephone desk which preceded the first "drop" board. Her smartly modern grand-daughter, manipulating the line plugs with a brilliant fingertip, answers calls in as many as ten tongues—"Paris, France, on the line; go ahead, Oklahoma City" — "Ready with the Liner Normandie; all right, Spokane!"

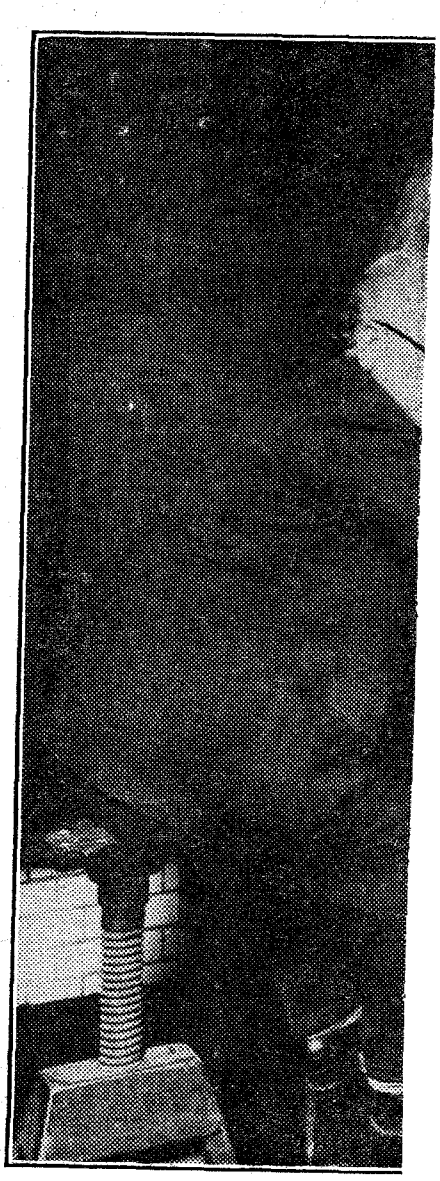


"Labor Day, O, Labor Day!

A Study in Contrasts

Many a graying oldster will recall with the poignan former day contrasts with the modern working world. of progress within his ken, the same aging worker will for the pittance business paid, if only "we could hav then." For the buying power of the dollar on pay day other change in the two eras.





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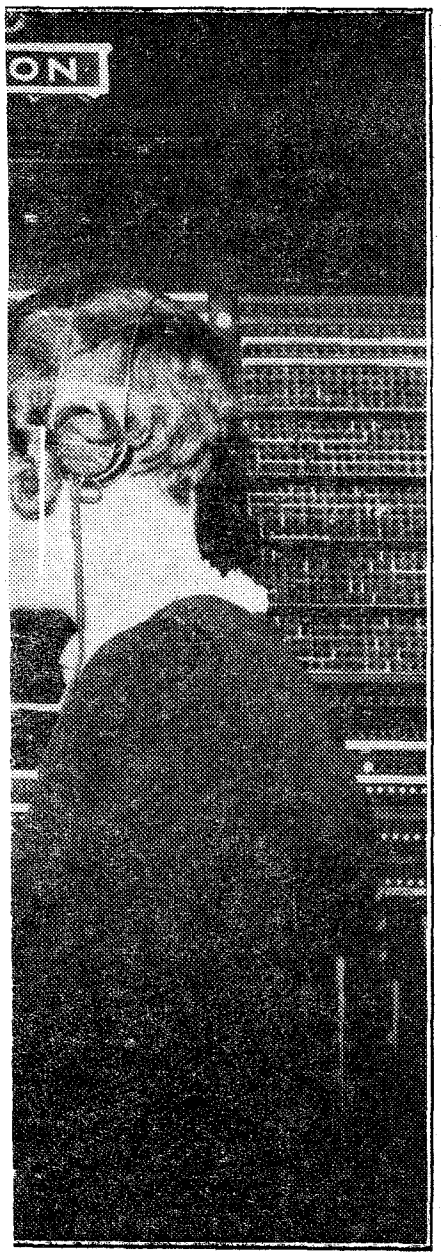
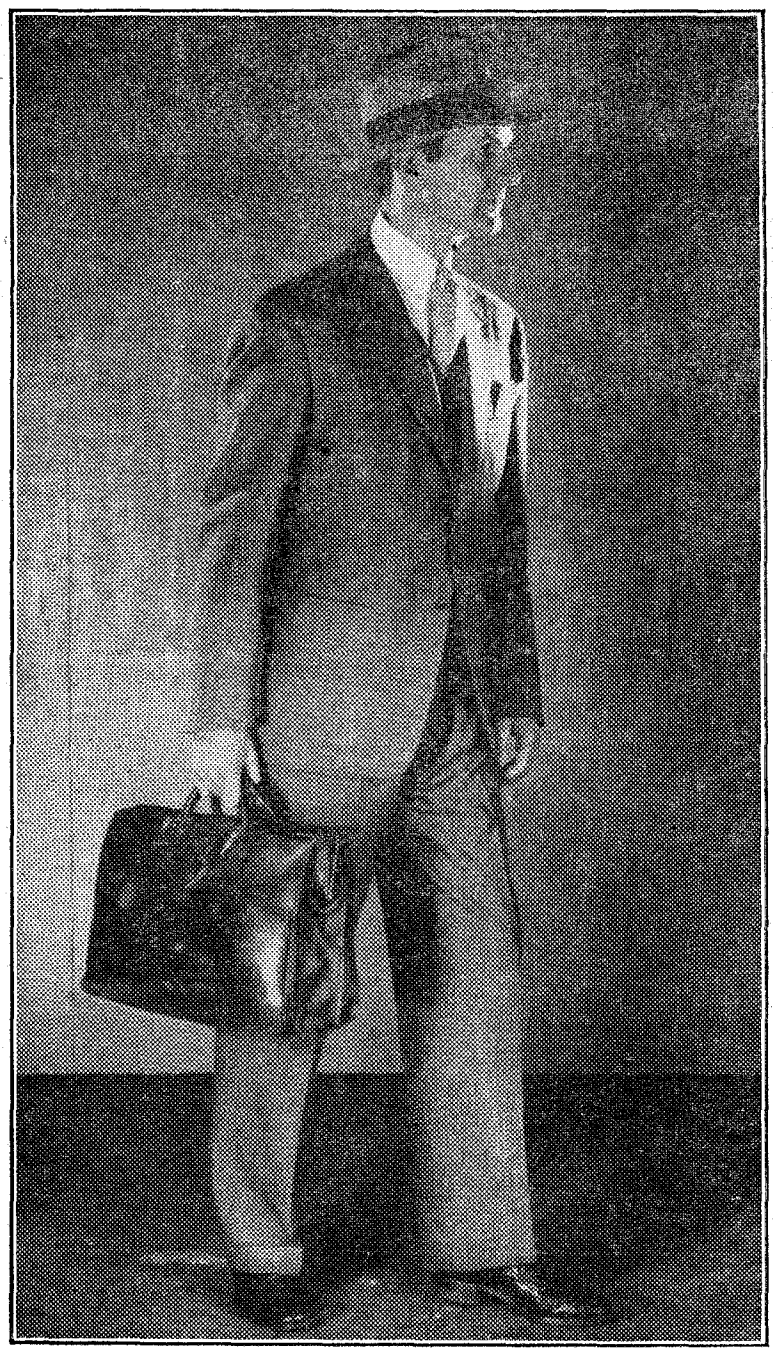
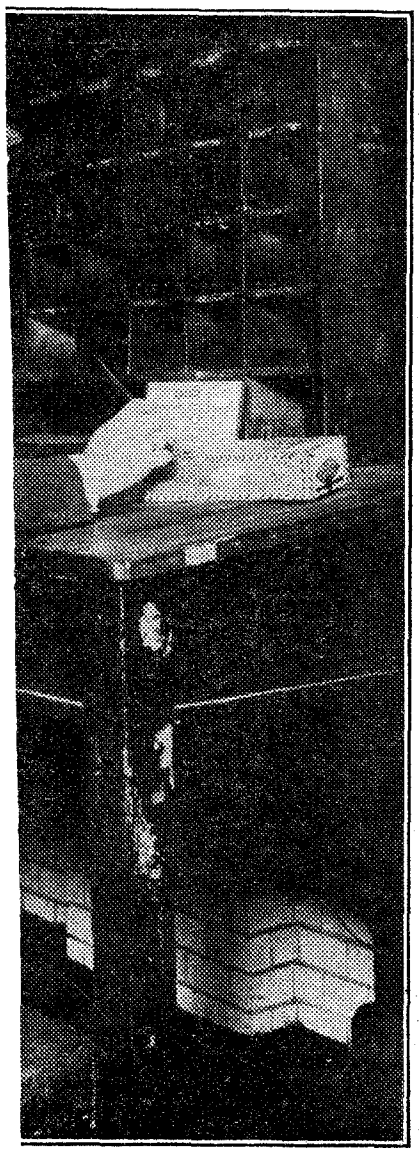
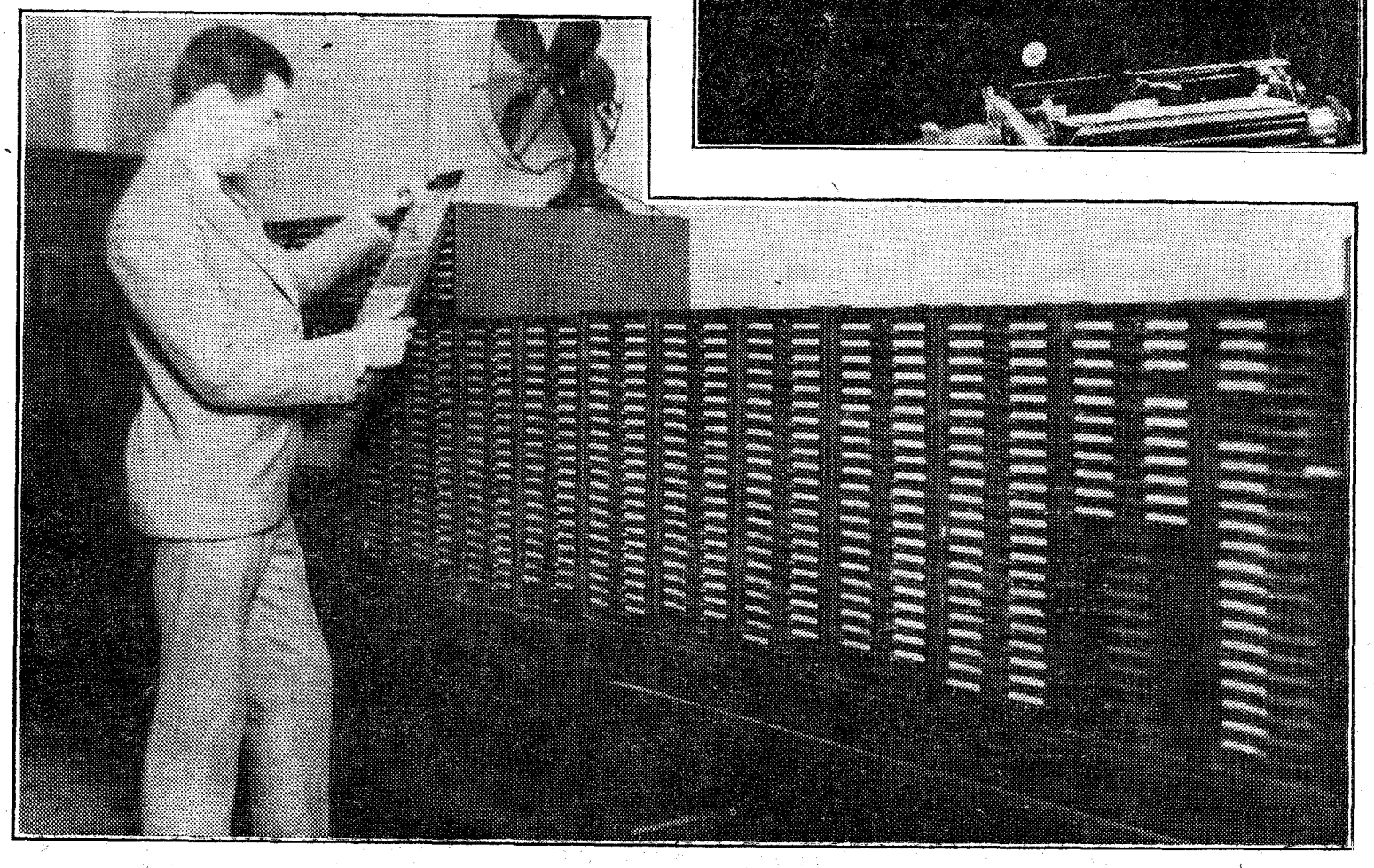




y of youth some of these
sigh for the swift span
illingness to work again
he prices that we paid
irper contrast than any
ictures by Keystone View Co.

The principles of salesmanship are much the same in modern business as in the oriental market place. Keen knowledge of human psychology and a last minute eclat in sartorial grooming were the stock-in-trade alike of the "drummer" of the 80's and the up and coming dealer's representative of today.





The tempo of modern office efficiency still more sharply contrasts with the remembered leisure of an older day. And no invention of the many-marveled Edison did more to speed the pace of change than a Milwaukee dreamer's idea of a "writing machine." With Christopher Latham Shole's typewriter, the pioneering stenographer blazed trail for her modern sister.

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EYES and EARS

(Continued from Page 4)

taking up the cudgels for the New Deal, they know there is something fishy about the whole business.

* * *

Senator Burke of Nebraska is one of the disillusioned Americans who went "hook, line and sinker" for the New Deal. His disillusionment is based on first hand evidence. On the last day of the session he expressed his chagrin on the floor of the Senate, in the following words:

"The Senator from Pennsylvania did me the great honor to read to the vast audience that no doubt listened to him last night some remarks which I made in the campaign of 1934 which were accepted as a definition of the New Deal. He went on to say that my purpose in doing that was apparently to win favor with the president and secure the support of the president's followers, and it would not become me to say that that was not somewhat in my mind.

"I go one step further, however, and say that in giving that definition of the New Deal I described, as I then saw it, this great liberal movement of which I was glad to be a part; and it was not until I came to see that sometimes a new deal may quickly be changed into a rotten deal that I lost some of my enthusiasm for the things that I had been supporting."

* * *

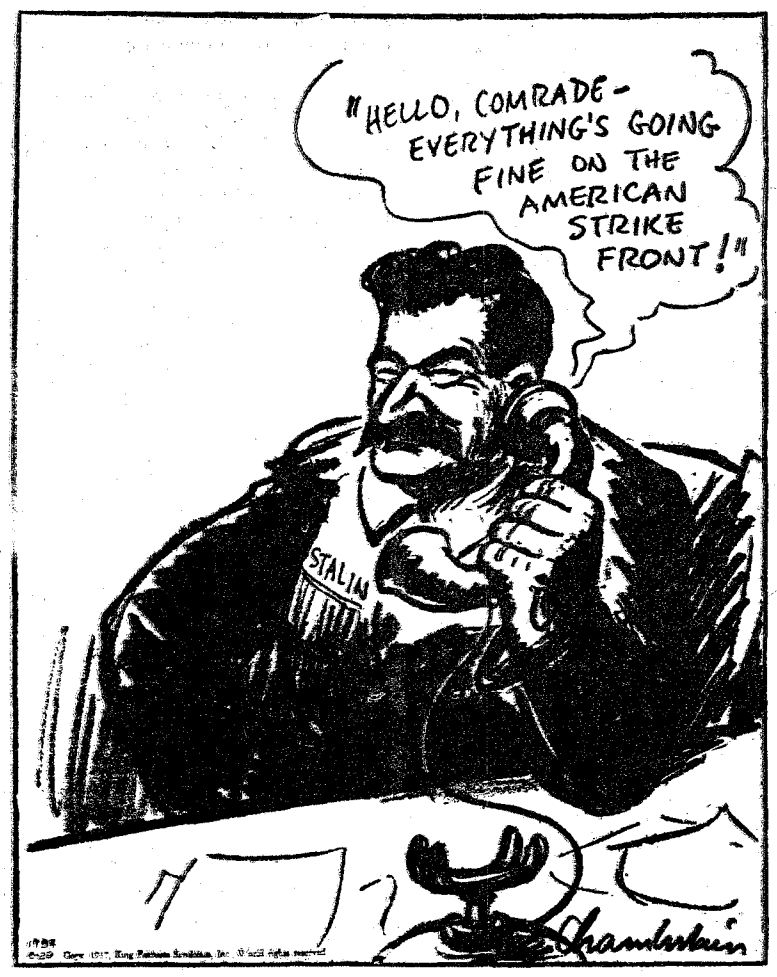
Guffeys and New Deals do not mix according to Senator Burke—and Senator Wheeler feels the same way about it. Wheeler said, in the course of the same debate:

"When did you ever hear of a political boss being a friend of the farmers of the country? When did you ever hear of a political boss being a friend of the workingmen of the country?

"Friends of these voters? Yes; they are friends of all when they want votes. They are friends of all when it pays—pays, if you please, to be liberal. But where were they when there was only a small minority of liberals and progressives in this body? They were out, lined up with the utility interests, promoting utility companies, playing the game with the Mellons, and playing the game with Wall Street."

There, Mr. Average American (to use the words of the President), is Mr. Guffey, the recording angel of the New Deal!

Do you accept or reject?



At a secret Labor Day rendezvous "somewhere in America," representatives of the high strategists of the Russian revolution are in conference with influential leaders of labor on the tactics of the forthcoming "program" for the United States. The fuller story of these conferences is to be told in forthcoming editions of SOCIAL JUSTICE.

54½ Million Soldiers on Duty in 48 Nations; U. S. Force Ranks 10th

American military authorities disclose that at least 55,000,000 trained men can "spring to arms overnight" in 48 nations, an Associated Press story from Washington reports.

The regular armies, reserves and other trained men in those countries, the survey shows, number 54,412,628, not including China's uncounted military forces, conservatively estimated as at least 1,000,000. Of that grand total of trained fighting men, 6,513,824 actually are enrolled in the regular armies.

The United States now has an estimated 474,378 men in the regular army, National Guard and trained reserves, placing it 19th in potential fighting power in the ranking of the 48 countries.

General Malin Craig, chief of staff, reported to Congress that on July 1 the regular army of the United States will reach its authorized peak of 165,000 men. On that basis, the survey shows, the United States will rank 10th in size of regular forces, below the British Empire, France, Germany, Italy, Japan, Poland, Rumania, Spain and Russia.

The survey brought to light these salient facts concerning fighting land forces:

Soviet Russia has the world's largest army with 1,545,000 regulars and a total of 19,490,000 trained men.

Italy ranks second with 6,294,395 trained men, of whom 1,331,200 (including 878,200 reserves on active duty) are in the regular army.

Switzerland's 309 and Costa Rica's 730 men are the world's smallest regular armies. Switzerland, however, has 600,000 trained reserves.

In comparison with the United States' 165,000, the regular armies of other nations (not including China) now rank:

France, 658,777; Germany, 650,000; British Empire, 384,780; Poland, 332,427; Japan, 282,000; Rumania, 222,000; Spain, 199,546; Czecho Slovakia, 164,000; Turkey, 133,000; Yugoslavia, 131,508; Belgium, 91,441; Greece, 79,796; Brazil, 66,072; Portugal, 60,690; Mexico, 57,376; Hungary, 43,813; Bulgaria, 43,700.

Austria, 38,000; Argentina, 36,902; Sweden, 34,179; Finland, 30,337; The Netherlands, 24,320; Latvia, 21,320; Lithuania, 20,235; Peru, 15,273; Cuba, 15,042; Colombia, 14,748; Chile, 14,652; Norway, 14,200; Estonia, 11,122; Denmark, 11,000; Uruguay, 8,514.

Ecuador 7535; Venezuela, 6,000; Guatemala, 5,980; Bolivia, 5,000; Paraguay, 5,000; Salvador, 3,370; Dominican Republic, 3,094; Nicaragua, 2,750; Haiti, 2,715, and Honduras, 1,942.

Georgia Paper Demands Impeachment of President

Macon, Ga., dispatch to the New York Herald Tribune:

A series of editorial attacks in The Macon Telegraph on the so-called "unholy alliance" between President Roosevelt and John L. Lewis, head of the C. I. O., reached its climax in showing the way for impeachment of the Chief Executive.

The editorial ends with "It can be done and if our free institutions are further threatened, it must be done."

In issues preceding the impeachment editorial The Telegraph had a series of editorials "Staging a Drama of Deceit," "Who Is the Red Siren?" and "Fanning the Flame of Anarchy" in which the Lewis-Roosevelt tie-up was denounced.

In the editorial "Fanning the Flame of Anarchy" The Telegraph stated, "The responsibility which rests upon the administration at Washington for such a situation is one which cannot be described in temperate terms. It is "pitifully lacking in the qualities of Grover Cleveland and is now encouraging C. I. O. racketeers."

Power Requests Create Uncertainty

The editorial captioned "Looking Toward Impeachment" says:

The President tells us that he is going to "overhaul the New Deal and divert present policies into different channels," and yet such glimpses as he gives of the new policies are to carry on the program of restriction in every activity of life.

Even if there were a certain amount of merit in the proposed plan, the contemplation of further drastic changes would be sufficient to create disturbance and uncertainty in business and industrial life at a time when those important factors of recovery have been flogged to death.

The American people are aroused today by the widespread anarchy which prevails in industrial circles. Instead of a single gesture of friendliness towards industry the President can think of nothing to suggest except surrender to the dictatorship of the proletariat.

Revolution at Door When Vigilantes Arm

The vigilantes in disturbed centers are taking charge of the situation and revolution is at the door. Never in the history of this country has there been such a falling away from a popular leader as has been witnessed within the past few months. Ask the first man you meet on the street, poll the first group at the corner grocery.

A still, small voice is gathering force and may yet speak with the thunder of the storm. All eyes are turned toward the more intelligent and patriotic members of the House and Senate. Today they are being reminded that they have at least one way in which to rescue themselves from the combined menace and cajolery which bind them as the threads of the Lilliputians bound Gulliver.

The power of impeachment is the supreme weapon with which Congress is armed against all attempted encroachments by the executive. This administration has violated with impunity a thousand laws and practically every provision of the Constitution of the United States. To take a random example, it is spending $500,000 a year in salaries alone for publicity agents whose duty is to blind the American people to what is going on. The expenditure of this vast sum is in absolute violation of the plainest terms of law. In becoming a party to the National Democratic Committe's sale to corporations of the President's autograph he has violated the corrupt practices act which forbids corporations to contribute to political campaigns.

Indicted in Words of Declaration

He may be indicted almost in the very terms directed against George III by the Declaration of Independence. If he has not made, he has desperately sought to make, "Judges dependent on his will for the tenure of their offices"; he has "erected a multitude of new offices and sent hither swarms of officers to harass our people and eat out their substance."

In delivering us over to the labor autocracy of John L. Lewis he has "combined with others to subject us to a jurisdiction foreign to our constitution and unacknowledged by our laws." He may be charged with "taking away our charters, abolishing our most valuable laws and altering fundamentally the forms of our government," or at least attempting to do so. If not in person he has by proxy "excited domest insurrection amongst us."

One whose character "is thus marked by every act which may define a tyrant is unfit to be the ruler of a free people." And without seeking parallels in the declaration, the list of his acts of oppression might be almost indefinitely extended.

Two hundred and eighteen patriotic members of the lower House can draw articles of impeachment and 50 members of the Senate can bring a verdict of guilty which will bring that sturdy old Democrat, Vice President Garner, into the executive chair.

It can be done, and if our free institutions are further threatened it must be done.

THIS WEEK IN THE WORLD

The almighty dollar is bound sooner or later to place America in an embarrasing situation in connection with the Chino-Japanese argument. Estimates place American investments in and about Shanghai at somewhere near a total of $97,500,000 (Mex dollars).

The Department of Commerce recently stated that there are several thousand American interests in Shanghai. Some of the more important of these include:

Shanghai Municipal Light and Power Co.
Anderson-Mayer and Co., Inc., importers of electrical machinery.
Asiatic Headquarters of the Robert Dollar Line.
Bell Lumber Co.
Asia Realty Co.
Connell Brothers, importers and exporters.
China-American Tobacco Co.
Standard Oil of New York.
National City Bank.
R. C. A. Communications Co.
Eastman Kodak Co.
E. I. du Pont de Nemours Co.
Goodrich Rubber Co.
General Motors of China, Inc.
Otis Elevator Co.
American Engineering Corp.
American Trading Co.
Standard Vacuum Oil Co.
The Chase National Bank of New York has large interests in Shanghai also.

It is logical, on the basis of past performance, to assume that the financial interests of large corporations such as the ones listed above, will not be left "out on a limb" when American policy concerning warfare in the Orient is determined.

Young Japanese Shun War Chest

SAN FRANCISCO, CALIF. — The Chino-Japanese war is causing consternation in the Japanese sections of our western coast cities. When the Japanese campaign to raise funds in California began, all of the Japanese associations in the state received the "S.O.S." The Japanese-American Citizens League, composed of American-born Japanese, refused flatly any aid whatever, stating that they would not participate in any activities, military or political, of the Tokio government. Thus with only native Japanese to aid in their cause, the army war fund has already received about $12,500 and an innumerable supply of individual gifts. The war is creating a rift between the Japanese people in California with about half of the 100,000 Japanese in the state being native Japanese. The older Japanese natives are supporting the Japanese war, and their younger American-born relatives refuse to have anything to do with it.

Dictator Paez Ecuador President

QUITO, ECUADOR. — Federico Paez, military dictator of Ecuador for the last two years, became president by election in the national assembly last month. The assembly then conceded freedom of the press and declared previous sanctions imposed on newspapers and other publications ineffective. At the same time that the assembly granted a general pardon to all political prisoners and exiles, the Constitution, backed by President Paez, was preparing to "greatly increase the powers of the president."

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Sweden Maintains Purchasing Power Of Nation's Money

A recent statement by the Swedish Riksbank is essentially a re-affirmation of that country's monetary policy adopted in 1931, when the gold standard was abandoned. At that critical time Sweden was the only country which announced an intention **to maintain the domestic purchasing power of its money as the official objective of its monetary policy.**

During the past six years this policy has been followed. The krona and the cost of living have been kept almost invariable. And now the Riksbank states that there exists no reason for a change of policy. In particular it is emphasized that the **maintenance of stability in the domestic purchasing power of the krona is considered more important than that of its stability in foreign exchange.**

To countries which, like the United States, have not yet formulated their monetary objectives with similar precision, the Swedish experience should prove of special interest.

"Stable Dollar" First Consideration

In 1931, after abandoning the gold standard, it was stated that the monetary policy of Sweden **should aim at the maintenance of the purchasing power of the krona in the hands of the consumers.** In 1932 and in 1933 the principles of policy were partly reconsidered. As a further object it was added that the economic policy should aim at bringing about **an increase of domestic wholesale prices without allowing this increase appreciably to affect the cost of living.**

In view of the economic development since the middle of 1936 with its strong upward tendency of prices the need of a modification of the monetary program of 1933 was generally recognized in the spring of 1937. In a document addressed to the government the Riksbank suggested that the general economic policy should aim at counteracting the tendency towards rising prices and in case prevent an inflationary price development.

In the recent government bill on the monetary policy the principles laid down the Riksbank were on the whole confirmed. The Minister of Finance stressed the advantage of stable foreign exchanges.

Guard Against Inflation

The following measures for checking a possible inflationary development in Sweden are discussed in the government bill:

The raising of the **discount rate** cannot be effective in the present situation as the commercial banks are independent of borrowing from the Riksbank. In order to make it possible to tighten the money market and to strengthen the influence of the Riksbank on the money market **open market operations** and **emergency reserve requirements for the commercial banks** are considered. The Riksbank does not posses government securities to such an amount that an effective influence on the money market is secured. Therefore it has been arranged that the Riksbank may dispose of treasury bonds or treasury bills issued by the National Debt Office. Interest on these securities, created solely for the purpose of open market operations, would be paid by the Riksbank.

Furthermore, the government has acquired full powers in case of need to sterilize part of the liquid resources of the commercial banks. The commercial banks, at present obliged to hold 25 per cent of their demand deposits in cash or in very liquid assets, may be required to hold a certain percentage of these assets—the percentage to be determined by the government—on an account with the Riksbank.

International Trade Favorable

The Riksbank has the power to **pay interest on deposits.** It has been suggested that by doing so the Riksbank should be able to absorb some of the liquid funds now deposited with the commercial banks. This measure may be used as an alternative to or together with the selling of government securities.

Owing to the special cause of the easy conditions on the money market in Sweden, namely the favorable current balance of international payments, an increase of imports seem to offer an adequate and favorable way of gradually tightening the money market. From this point of view the possibility and effects of **lowering import duties** are studied. It should be noted that, within certain limits, the government has the power to reduce tariffs without consulting parliament.

The government has been authorized to **purchase abroad certain commodities** to be stored by the state for emergencies.

From the conclusion that an underbalanced budget is conducive to economic expansion should follow that an **overbalanced budget** tends to check an upward movement of the activity curve. The Minister of Finance has stated that in this respect the budget proposal for 1937-38 is aiming at a policy of smoothing out the cyclical fluctuations, just as the budgets of 1935-36 and 1936-37.

Parliament Controls Central Bank

These proposals were approved of by parliament on May 26. Parliament added that, in view of the favorable influence on the internal economy effected by low money rates during the depression, the rate of interest should be kept at so low a level as was possible.

Owing to some incorrect reports in the foreign press the Minister of Finance on May 14 stated that he had nothing to add to the declaration he made in February, 1937. He said that no alteration in the value of the krona seemed to be required within the surveyable future any more than in February. On the contrary, the recent fall in international prices had reduced the reasons for considering such a measure.

For those unfamiliar with the position of the Riksbank the following information may be of interest.

The **Sveriges Riksbank** is the central bank of Sweden and is owned and guaranteed by the states. Consequently it has not been considered necessary to create an exchange equalization account in Sweden as has been the case in some other countries where the central banks are owned privately. The bank is governed by a board of seven directors, one of whom, the chairman, is appointed by the king, while the remainder are elected by parliament. The board elects from among the six members appointed by parliament a governor and two managers. In addition, a deputy governor is appointed by the board. The board of directors is allowed to take instructions only from parliament or, in certain cases, from the Banking Committee of Parliament.

Regimentation Always Bad Is Capitalist's Observation

Addressing New York business men at a recent Rotary Club luncheon, James H. R. Cromwell, capitalist and writer, reported his observations of the effects of regimentation in Europe. Bad as is our muddled situation in America, we have certainly nothing to learn from either the "regimentation" of Soviet Russia or the dictator-controlled nations of Italy and Germany, Mr. Cromwell asserts.

Sweden alone, of all Europe, has "solved the depression" and has operated for six years under a regulated purchasing power of its money, which other capitalistic nations talk about but fear to try.

(Editor's Note: A recent report of the Swedish Riksbank on the success of Sweden's system is quoted in an adjoining column.)

We quote with permission from Mr. Cromwell's Rotary talk:

"I believe that the future existence of capitalism, without which democracy and personal and economic liberty cannot exist, is today threatened by regimentation and I believe it is up to the business men of America to remove that threat.

Cromwell Convert To Monetary Reform

"Now I confess that four or five years ago I was not impervious to the blue-printed vistas of Utopia so eloquently portrayed by our regimenteers. I didn't know then as much about capitalism and how it works and why it breaks down as I THINK I know now. I couldn't see in those days, and I still can't see, that we were getting anywhere just sitting and taking it and I thought that our capitalistic system needed a lot of overhauling and considerable political regulating to keep it going. So, I believed in deposit insurance, unemployment insurance, compulsory collective bargaining, minimum wage and maximum hour laws, devaluation, high taxation and lots of other cockeyed theories — most of which, I may add, are still prevalent and being rigorously enforced today.

"My more recent years of study and research, however, have forced me to the other extreme, if I must call it that, and **I have concluded that most of our trouble is to be found in our distribution or money system. I now contend that if this factor was intelligently regulated, the less capitalism was interfered with politically, the better it would work.**

All "Regimenteers" Equally Obnoxious

"I cannot see any fundamental difference between the regimentation and oppression which exists in Italy, Germany and Russia — it's simply a question of degree. Italy seemed to me to be the least regimented and oppressed; Germany the next and Russia the extreme.

"In my opinion the only threat to American capitalism represented by Russia, is that our people know so little about the Soviets. When, through ignorance and the archaic economic theories taught in our colleges, we permit our capitalistic machine to break down and millions of our citizens thereby become unemployed, destitute and desperate, these unfortunates are ready to try Communism or anything else — especially when they are told that there is no unemployment in Russia. ***But give our most desperate malcontent a few months in the Soviets where the masses own everything, and I'll wager he would be everlastingly grateful to be back home, even with the W. P. A.***

"In Russia everybody's on the government payroll and that's why there isn't any unemployment. It's true that in Russia the people theoretically own everything, but, at the same time, they actually have nothing, not even their own souls, for souls and minds are merely part of the economy in the Soviets and are regimented like everything else.

Nothing to Learn Except from Sweden

"Certainly we have nothing to learn from Russia and certainly nothing from Germany and Italy where, under regimentation, standards of living are lower than ever. But we have much to learn and we can learn it from Sweden. There stands a small oasis in this troubled world, a living demonstration of what capitalism can do when founded upon an intelligently directed and regulated money system. In that nation of six and one-half million people there are today only 18,000 unemployed; there are no slums; no dire poverty and no discontent. I submit if this small nation can accomplish these things, surely this great nation, with its fabulous resources, can do the same.

"Heaven knows that President Roosevelt has been sufficiently criticized but has he been constructively criticized? Have the business men of America offered a complete, sound and practical program to replace those policies which they disapprove? I submit that they have not done so and I earnestly believe that there can and should be such a program. I hold that regimentation is a proven failure; I hold that Swedish experience shows what capitalism can do if given a fair chance, and finally I hold that whether we progress and follow the trail blazed by Sweden or whether we retrogress and follow in the wake of Italy and Germany, is entirely up to you."

Russians Work Three Days For Price of Pound of Coffee

Are high prices always the greatest advantage to the worker? Only when he receives the advantage of these prices, is the conclusive answer of the Russian Worker. William McDermott, of the Cleveland Plain Dealer, gives some of the actual facts concerning costs of living in the Soviet regime in a series of stories ostensibly mailed daily from Moscow.

The national economic plan for the U. S. S. R. printed in 1937, gives the average yearly wage for all Russians during the last year, including "white collar" workers and artisans, at 2,770 rubles. Industrial workers average 2,715 rubles yearly.

At the higher figure, a wage of 2,770 rubles a year averages 231 rubles a month. The official rate of exchange places the ruble's value at slightly less than 20 cents, making the wage $46 a month.

Workers Earn $12 a Month

In actual purchasing power, as measured by world prices, the ruble is valued at 5 or 6 cents. So that the average worker's salary in real money value is between $12 and $14 a month!

In Moscow, a pound of coffee costs 24 rubles, or nearly $5, and sugar costs 40 cents a pound! Other food costs include: a cut of beef, $1.30 a pound; pork chops, just above $1 a pound; butter, $2 a pound; eggs, ten for a dollar; cheese, $2.50 a pound; milk, 32 cents a quart; chocolate candy, $4.50 a pound.

A "best" suit of ready-made woolen clothes is priced at 1,065 rubles or $213, while an "ordinary" suit costs $110. The average price for a wearable suit is $160. A good woolen overcoat without fur or braid, comes to $280, while the cheapest overcoats for winter are $100.

Men's Shoes $35 a Pair

Woolen underwear is not available at present, but the last recorded price was $28 a suit. In Russia, men's shoes are priced from $35 to $48 a pair. Some Russians use a burlap wrapping for shoes.

Light wool for dresses costs $25 a yard, wool and cotton mixed, $14 a yard, and heavy wool, $32 a yard. Crepe de chine is $13 a yard, and rayon stockings are $8. Kid gloves have been drastically reduced to $5 a pair.

These are the prices which the $46 a month worker meets when he goes to spend his pay check.

Leaving out exchange values, and placing living costs besides wages, the Russian **worker must work three days for a pound of coffee, four months for a good suit of clothes, and more than two months for an ordinary suit; a pair of shoes costs from three weeks to a month of toil, and an overcoat, six months.**

Although lower than two years ago, these prices have been elevated since last year. Between July, 19[illegible] 1937, foodstuffs advanced in price from 1 to 6 per cent.

The reason that Russians can exist at all with the high prices and low wages, is the fact that everyone in a family works, from the father and mother, down to the smallest child, as soon as he is able.

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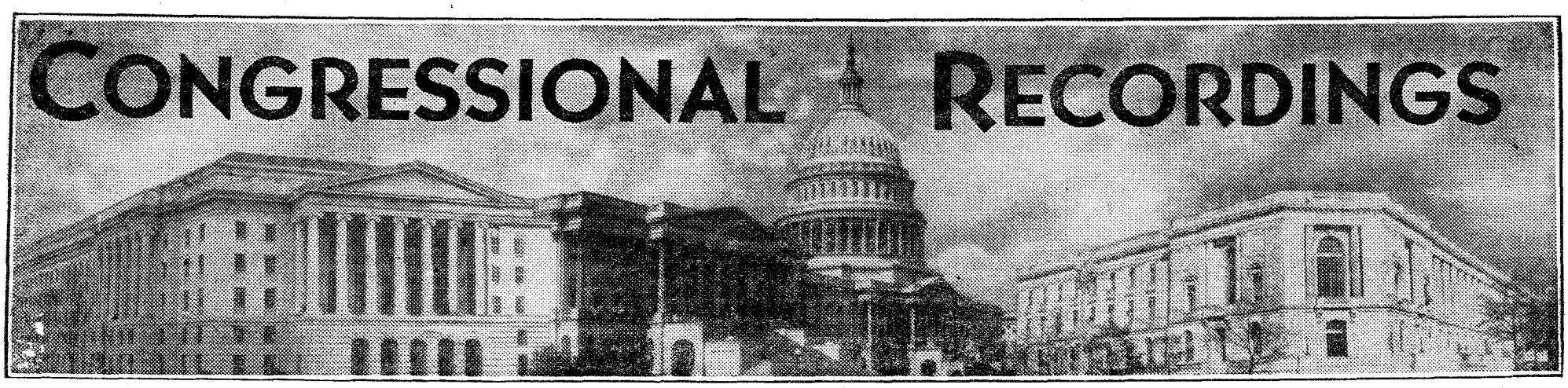

Farmers See Drawback In Foreign Treaties

Dairy Farmer Pays More For Feed Than He Gets For Milk; Dairy Imports Increasing

By Hon. Bertrand H. Snell
Representative from New York

Some of the various activities of the Department of Agriculture through the N. R. A., the A. A. A. and other alphabetical institutions may have been of benefit to some parts of the country, and to farmers producing certain crops; but the man who has been a producer of milk in the northeastern section of the United States has received practically no benefit whatever.

He is probably producing milk today under a greater handicap than ever before, although the dairy farmer at the present time produces about 25 per cent of our agricultural income.

As a result of these various activities, the farmer in New York who unfortunately has to buy a large amount of his grain and other feed, is paying anywhere from 50 to 100 per cent more than he did a short time ago for the grain which he is using to feed his cattle to produce milk, and there has been practically no rise in the price of milk products. They do not belong to the class who are continually wanting the government to do something for them, these dairy farmers. All these people want is fair opportunity to earn a living.

The situation can be summed up in a short statement a farmer made to me a few days ago. He owns his farm. He works, and works hard He told me, "I am going out of the dairy business." I said, "Cap, that is rather peculiar, I thought you had a pretty good farm and were doing pretty well."

He replied, "I have been discouraged for some time, but this morning I brought in a load of milk and sold it for $1.35 a hundred, and paid $2.46 a hundred pounds for a balanced ration to feed my cattle. You see, it just cannot be done, and I am going to start disposing of my dairy immediately on my return home."

I wish I knew the answer. I am frank to say I do not know it; but I have one or two suggestions which I know would help the dairy interests of our section of the country. There is no question but what the reciprocal trade treaties and the reduction of duty on various dairy products have been a serious drawback. It is surprising to find how the imports have increased. **The result of the reciprocal trade agreements has been much more in favor of the foreign farmer than in favor of the American farmer** in the northeastern part of the United States.

Despite the fact that Congress has adjourned, SOCIAL JUSTICE will continue with its page of Congressional Recordings, using quotes from the speeches of Senators and Representatives made during this and previous sessions of Congress.

There Must Be Some Limitation To Secretaries

By Hon. Lloyd Thurston
Representative from Iowa

We were told that the administration is vitally interested in economy, and the Committee on Appropriations made the announcement that there would be a real economy move on the part of the present administration. Then came a measure to provide six additional secretaries at $10,000 each annually.

Of course, there will be secretaries to the secretaries, and the usual prerequisites without end. We are starting out—rather continuing — on a policy of extravagance rather than economy.

In july the total federal payroll for executive branches amounted to $127,998,772. That means that at this time **the executive branch is paying in salaries more than $1,500,000,000 annually.**

Who will consistently claim we need more high-salaried secretaries? The President is commander in chief of the Army and Navy. There are now assigned to duty in Washington 806 thoroughly trained military officers and we have 703 efficient naval officers all men trained and skilled in their respective branches.

A table issued by the Civil Service Commission released July 1, 1937, shows that for the month of May, 1937, we had a total of 115,000 federal employes in the city of Washington, and in the field or country at large, 725,000, making an aggregate of 840,000 employes of the executive branch. Of course, these figures do not include the military or naval service.

There are several thousands persons employed by the executive branch who receive from $3,000 to $12,000 a year.

I cannot believe that any member on the floor of this House would seriously believe that the executive branch does need these additional employes, unless he wants the President to have a little super-government confined to the White House, probably to check up on his cabinet or some of these other officials who apparently do not have his confidence. If that is the background for these "passion anonymities," the majority should have the frankness to come out here and say so.

Un-American Activities Peril True Democracy

Congressman Urges Alien Critics Be Sent Back Where They Came From For America's Good

By Hon. J. Parnell Thomas
Representative from New Jersey

Communism is the greatest threat we have in this country. It is alive in almost every state in the Union. It is eating into our government and into our institutions as a termite eats into a piece of wood. The C. I. O. is so alive with Communist agitators that even John L. Lewis may be alarmed.

In the C. I. O. many of the leaders are out-and-out "reds." For example, John Anderson, who was the Communist candidate for governor of Michigan in 1934, today is among the foremost of the C. I. O. agitators; another is Nat Ganly, a national figure in the Communist organization and instructor at the "red" People's School at Detroit, who has only recently been active in many C. I. O. strikes. Other leaders active in recent labor disorders are William Z. Foster, Frank L. Palmer, Powers Hapgood, Sol C. Waldbaun, Philip Murray, Alex Bittleman, Pat Toohey, Walter and Victor Reuther, Rose Pessetta, John Brophy, Jack Stachel, Sidney Hillman, and the three well-dressed hall-room dandies of the Workers Alliance, Lasser, Cook, and Spain. Many other names can be supplied, but **these are a few who will bear watching at all times. When any one of them appears at any place we may expect trouble.**

The Nazi movement in the United States should be looked into, but it is only a sideshow in comparison to that being staged by the Communists in America. Even in one small section in New York City there are more "reds" than there are Nazis in the entire United States.

Both are dangerous, both un-American, and both should be thoroughly sifted. We should start cleaning house immediately; start with a real red-hot Congressional investigation conducted by fearless and true American statesmen.

After such an investigating committee has thoroughly washed our un-American linen, then **we should send our alien "reds' back from whence they came and tell Soviet Russia and Herr Hitler that we are sick unto death of their international meddling,** and in addition, let us inform them in good old-fashioned American language that **America means business,** that we still have a true democracy and that we intend to keep it as a true democracy. If we will once and for all take a firm stand in these un-American activities, we will not continue to be a cat's-paw for every new fangled foreign idea that any European power can conceive of.

to Russia or to Italy or Germany that seem to possess the kind of government they would have.

Federal Government Has Power Over People's Economic Destiny

Sovereignty of States No Longer Important, Says Illinois Democrat

By Hon. J. Hamilton Lewis
Senator from Illinois

The advance of the federal government has been so rapid and seems to multiply itself to such a degree as to drive the states rapidly back **into the position of mere provinces or political divisions of the government of the United States.**

We have reached a point where we have no longer a "Union of States" but we have now a state of the Union.

The able Senator the other day, referred to the fact that the government of Rome, following precedent, had reached such a point, that after a while a ruler was adopted who became practically dictator of the law, and the government became a despotism.

I am sorry to say something of that kind, following precedent upon precedent—as described by Tennyson—has happened to us in the United States between the federal government and the states. I fear we have gone that far.

And since my able friend has delivered that disertation on the Roman advance, I know he will forgive me for reminding him that, as Julius Caesar reached the little river which we speak of as the Rubicon, desiring to cross the line, and as he pushed his horse forward in his imperial march, he uttered the expression, "Illa facta est." In other words, the die is cast.

I am pained to say that the policy of my government has cast the die, and that **the policy now is no longer to preserve the branch of our government, the localities called states as sovereign, but to preserve the sovereignty of the federal government in its exercise of protection over its citizens as citizens of the United States.**

Mr. Borah: Does the Senator think that in the matter of the elimination of the states and reducing them to mere geographical expressions sufficient to elect Senators and Members of Congress, that the people of the United States ought to be consulted by the submission of constitutional provisions for the elimination of the states?

Mr. Lewis: One cannot avoid the fact that the question has got to be met as a direct issue.

Mr. Connally: As I understand, the attitude of the Senator from Illinois is that he is violently opposed to the consolidation of federal power and the stripping of the states of their power, **but since most of the crowd is going in that direction he will join the crowd and go with it.**

Discretionary and Money Powers Give Executive Complete Control

By Hon. Dewey Short
Representative from Missouri

The President of the United States today has the power of life and death over the economic destiny of the American people. We have given him the power to issue currency and to regulate the value thereof. He can coin silver up to the ratio of 16 to 1. He can reduce the gold content of the dollar 40 per cent. He has more than $2-billion wherewith he can purchase British pounds, French francs, German marks or Japanese yen. He can close the stock market at any time for 30 days. He has the power and authority to issue currency up to $3-billion.

He has the power to pay farmers of this country money for not planting their fields. He has the power to say to Chicago, "I will build a subway here," and yet deny it to Indianapolis. He can construct a dog pound in Memphis or a monkey house in Little Rock, as has already been done, or he can deny them to some other state. He can raise or lower the tariff on practically everything that is raised in the United States. More money has been turned over in blank check form, without any earmarks, to Franklin Delano Roosevelt since the 4th of March, 1933, than was appropriated and turned over to 30 presidents in the first 143 years of our history. **The New Deal is not new. Most of its methods are old methods employed by every benevolent despotism in the history of the world from the Pharaohs down through the Caesars and Machiavellis to this present hour.**

I know that without change there can be no progress, but the underlying philosophy of this crazy, cock-eyed New Deal was uttered by that brilliant, philosophic mind which has ended by being stuck in molasses, Dr. Tugwell, who said he would **"roll up his sleeves and make America over,"** and the President is imbued with the same philosophy, because on January 3, 1934, he said to the members of Congress, both houses in joint session, in his annual message, that they would co-operate **"to build on the ruins of the past a new structure."** (Applause.)

I will admit that everything is not perfect in the United States, but where are the ruins of the past? In spite of all the vicissitudes of fortune through which we have passed, in spite of recurring panics, drouths and storms, floods, wars, and depressions, we have lived and grown to be the greatest nation on the face of God's earth.

These carping critics continually paint what an awful, terrible country we are living in, and sometimes I wish to God, **if they are not satisfied with our form of government and the conditions we have in this nation, they would take the boat**

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The People Speak . . . .

Paper Performs a Social Service for Patriots

To the Editor:

I want to go on record as saying that the only journal in this part of the country, to my knowledge, which is worth the paper on which it is printed is SOCIAL JUSTICE.

That is a sweeping statement, but I am prepared to defend it on the basis of the social service which the paper renders to patriotically-minded citizens.

In your current issue you report a fact of grave import in conjuction with the trans-polar flight of the Bolsheviks.

I refer to the mysterious appearance of Kaganovitch, Big Shot No. 2 in Russia, at the White House for a conference with this beloved Roosevelt, whom they dubbed over in Russia in 1932: "The Next Communist President of the United States." When any European bigwig plans to come over here, the fact is given plenty of publicity. When a Bolshevik potentate comes over here the "Jew Deal" in Washington and the newspapers consipre to keep knowledge of the fact from the public. I read the papers quite faithfully, but I was not aware that this secret visit had taken place.

(Editor's Note: Carefully worded news stories in Soviet papers at the same time gave readers the impression Kaganovitch was still in Russia.)

You are to be warmly commended for rendering a patriotic service to your readers by letting them know that Stalin's brother-in-law and brother-in-murder sneaked into this country and went into an interview with the President just like that—a thing which a patriotic, native-born, White citizen of the United States could not do without being smothered in miles of bureaucratic red tape.

You also made reference in SOCIAL JUSTICE some time ago to the "forged" Protocols of Zion. Pull down your copy of the Protocols and read. In one column enter the subversive things sponsored by the "Jew Deal." In the other column, enter the appropriate RULE from the Protocols. The correspondence is so startling, both for what has been accomplished and for what is already projected, that it will make the "Gabriel Over the White House" forecasts look pale. The document is unique in this respect, in that it fits historical facts on the one hand, and it coincides with the philosophy of Communism. Moreover, internal evidence is overwhelming to the effect that a Gentile could not have written the document, since there are certain tell-tale cultural facts and references which would be beyond even a specially educated Gentile.

More power to you in your wonderful work. May you see fit to pull your heftiest punches a bit less each time you square off at the enemy.

—Wm. H. Sassaman.
Cleveland, Ohio.

Would Distribute Hemphill Article

To the Editor:

Do you think you can do a better work than to reprint page 15 of SOCIAL JUSTICE edition of August 16, 1927, as a leaflet to be passed around by all friends of social justice?

I wish I had now 100 copies of it.

Thanks a million for its publication.

—Chas. D. Chapman.
Santa Barbara, Calif.

(Editor's Note: The article referred to is one in a series by Robert H. Hemphill, financial authority and former official of the Federal Reserve System. His articles appear regularly in SOCIAL JUSTICE. Their later publication in book form is a *good suggestion*.)

T. W. U. Loyalist Defends Speakers

To the Editor:

I cannot refrain at this time from writing the following in answer to the charge made by your special correspondent that the Transport Workers Union of America is owned body and soul by the Communist Party.

Now anyone reading this article could see that Mr. O'Shea was doing a fine job of getting even with Quill, Hogan and Santo by letting your special correspondent in on the greatest line of "baloney" that I have ever read in SOCIAL JUSTICE since you began publishing it.

I happen to be a member of this T. W. U. of America and I have a very intimate knowledge of how Quill, Hogan and the others worked to organize the transit workers of New York. It was no pink tea I can assure you. **They have done more for us in the past six months than all the other fakirs or so-called union organizers ever did in the 33 years that I've known railroads and their managers.**

I have listened very closely to Hogan, Quill and Santo in their talks on organizing the workers. I could never detect anything in their manner or speech to suggest the slightest symptom of Communism. It is not for me to tell Hogan or Quill what they should wear or what church they should worship in, as long as they don't get so inquisitive as to ask me the same. If they ever get that friendly with me I am sure of the answer they'd receive.

—Edmund J. Burke.
New York, N. Y.

Likes Surprise Indicator's Guest

To the Editor:

"The Indicator's" surprise guest of honor, Father Drinkwater, was certainly educational, and has a fine style. It delivers its story frankly and clearly. I hope you insert other surprises occasionally.

—Chas. E. Rizzo.
Philadelphia, Pa.

(Editor's Note: SOCIAL JUSTICE is happy to announce the acquisition of additional letters from Father Drinkwater for early publication.)

Argues Case Of Another John

To the Editor:

John Brophy gets in my hair (if you will excuse the expression). He has been the cause of a great deal of spirited controversy in certain circles within the past six months. In the face of so much adverse criticism, I should think he would come forward and clear up the issue which is so cloudy.

Since he has not seen fit to do so, it might be well to here argue the case for and against John Brophy.

He styles himself a friend of the worker and professes to be a good Christian.

On the other hand, a representative group known as the United Mine Workers have turned thumbs down on him AND the disciples of Lenin and Stalin continue to shower verbal bouquets upon him. This may be because he is such a good Christian, or it may be because he is so useful (himself not realizing, of course, just how great an asset he is to their cause).

He works with Communism, he walks with it; he even breathes it. Now one might very easily mistake a certain rosy-hued reflection for the genuine thing, if it were not for the little matter of the halo in the offing (spoken of only in hushed whispers by a very select group).

The two Johns, Lewis and Brophy, have a deep regard for each other at the moment, or is it only unrequited affection on the part of the Lewis John? But wasn't it back in 1924 when Big John delivered such blasting epithets descriptive of the Brophy of that time?

What caused the reversal — has Lewis changed or has Brophy changed, and for better or for worse?

Now, of course, it is just possible that the United Mine Workers are at fault—that poor Mr. Brophy was unfairly judged, etc., etc., that he really has the interests of the working men at heart; that he sees in the Communist United Front, a unified strength, the possession of which is a necessary element in gaining certain objectives for the worker.

But does he ask himself the question of what is the objective beyond the immediate, or in other words, what is the ultimate aim of his cohorts? If he thinks he can untangle himself from such an unholy alliance at will, he is just being too naive. The piper in this instance would step out of character by covert methods of collecting in advance.

By a succession of such acts Mr. Brophy has built up for himself a reputation by which we identify him. If this is not truly indicative of his character, he should correct the impression. If he wishes to be a new type of martyr by deliberately inviting unmerited censure, he might select as a vehicle for his ambition, one that does not carry a load of dynamite.

—I. A. Tracy.
Philadelphia, Pa.

With Pleasure And Thank You

To the Editor:

Will you kindly insert a notice in next week's paper about the presentation of the basket of flowers and the $200 check that was given to Father August 8, by the Acorn Social Justice Study Club?

—Clara Richardson.
Cleveland, Ohio.

An Open Letter To John L. Lewis

From Liberty Magazine:

Dear John:

We have never met, but I feel entitled to call you John because I find myself a member of your C.I.O. When the Supreme Court held the Wagner Act constitutional, it looked to me as if any wage earner who could had better join a labor union. So I joined the American Newspaper Guild, which was then affiliated with the A. F. L.—and suddenly the Guild's national convention, deftly shepherded by our national president, Heywood Broun, voted to affiliate with the C.I.O.

Where do you plan, John, to take the hundreds of thousands who are joining our C.I.O. via our assorted organizing committees? It has been said publicly, without denials or lawsuits on your behalf, that your favorite organizers and tacticians are Communists, avowedly in spirit. Do these Communists get dumped over the side pretty soon? At this writing you have made no observable move toward giving them the heave ho.

Can't you please say something pretty soon, John—something definite—to the effect that you are not seeking to overthrow American democracy? That what you are after mainly is to bring about a repetition in this country of the trade-unions' rise to power—power with responsibility—in Great Britain?

A good many of the "lunatic fringe" have joined our C. I. O., as happens to every new movement. They feel they have a license from it to say and do anything that pops into their screwy heads. The things said and done by some of your purported lieutenants in the General Motors strike didn't help our C.I.O. one little bit.

Do you intend, John—or don't you—to cast off the Reds and the nuts as fast as you can, and step up the leavening of common sense—of liberals with common sense—in the C. I.O. leadership?

What is your conception of industrial organization as applied to newspapers? And of loyalty to our C.I.O. in case a reporter runs into facts unfavorable to it, or an editorial writer conscientiously forms some opinion adverse to it? These questions are important. The American people have gotten by up to now as well as they have largely because they have had the world's freest press.

In your old United Mine Workers days, I gather, your idea about coal miners who disapproved of your policies was to have them slapped down. If we newspaper C.I.O.-ers don't give the C.I.O. the best of it in everything, do we get slapped down? Do I, for example, for writing this open letter to you?

The A. F. L. has always refused to hook up with a political party or to form its own. The American Labor party, now being built up, is understood to be allied with the C. I.O., and it is predicted that this party will put up a candidate for President in 1940 and will expect all C.I.O.-ers to vote for him. Like politicians, political parties win national elections by promising large helpings of pie. The Labor Party, to win, will have to promise more than either the Democrats or the Republicans, and make its promises sound convincing.

In every industry there are intra-plant scorns and dislikes among the different departments and branches. They are based on a very deep-rooted human instinct: pride in one's own special skill. The more complex the industry, the more of them you will find in it—and they will prove to be centrifugal forces tending to rip your one-big-union scheme wide open.

I don't attempt any suggestion as to how you can counteract this fact of life in the C.I.O. But I do want to suggest, as urgently as can be, that the C.I.O. is a big boy now and had better begin acting like one.

Sincerely yours,

—Reuben Maury (American Newspaper Guild, Card No. 3-7123).

Encyclicals Still Best Program

To the Editor:

May I trespass briefly on your valuable space to say a word in reply to Daniel E. Moran, Boston, Mass., in the August 2nd issue. Candidly, I am at a loss as to why SOCIAL JUSTICE printed that letter, so full is it of contradictions, untruths and self-sufficiency.

In the first place, Mr. Moran finds no fault with the sixteen principles; in the same paragraph, he suggests that Father Coughlin, Wm. Randolph Hearst and the Daughters of the American Revolution should amalgamate since all three are equally "Red-baiters"—Communists. Inconsistency, thou are a jewel!

In the second place, Mr. Moran informs us that he recently read one of the pope's encyclicals and strange to say, his findings were that these encyclicals contain nothing but "pious platitudes without a single suggestion of a constructive nature as to social reform." In other words, the popes have laid down the Christian social program to be kept in libraries as curios and never to be reduced to practical application!

Yet for months past Mr. Moran could have read in SOCIAL JUSTICE a thorough analysis of the Church's program and in its practical application to the great masses, the pope's own words are used. Besides, from one cursory reading of one encyclical, Mr. Moran could not be expected to discover what every Christian thinker now acknowledges, that the Catholic program is the only hope of the world.

In the third place, being fully certain of the useless nature of the famous encyclicals, he contrasts the bulky figure of John L. Lewis as the real practical hero of the masses and their Christian advocate.

When did Lewis tell the masses that since they are human beings they have a natural right to sufficient goods of this world to support themselves and the family in decency?

When did Lewis mention **an annual, living wage, the only solution to the social question and one which was so easily within the grasp of labor.**

When did Lewis come out in defense of private property? Was it in the "sit-down strikes,"—a technique, by the way imported from Soviet Red Russia?

When did he instruct the masses that Capital and Labor must work together for the common good of all?

When did Lewis tell the masses that their real enemies were not the industrialists, but Modern Capitalism which controls Money and Credit—the life blood of society?

True for you, "By their fruits you shall know them" and judging from the negative fruits of John L. Lewis you could never detect that he is led by Christian principles—to say nothing of the positive proofs that he is paid by Communists. Of course Lewis does not advertise that fact; he does not carry a traveling card. On the other hand, any one would be a fool who denied eggs when he saw empty eggshells.

Strangely enough, Mr. Moran seems to be under the impression that all followers of social justice are Catholics, since he says—Catholics are easily regimented. That is not much of a compliment to the thousands of Christian Protestants who also are a mainstay in the battle for social justice. Thus, in trying to have a fling at Father Coughlin, Mr. Moran reveals that he is affected with a little of the poison of "bias" of which he accuses Father Coughlin. One of the best ways to overcome this is to read SOCIAL JUSTICE carefully and also read and study the now famous encyclicals of the popes who have written for Catholics, Protestants, Jews and what have you, remembering always that there can be no social justice unless there is social justice FOR ALL.

—Jerry C. Casey.
Detroit, Mich.

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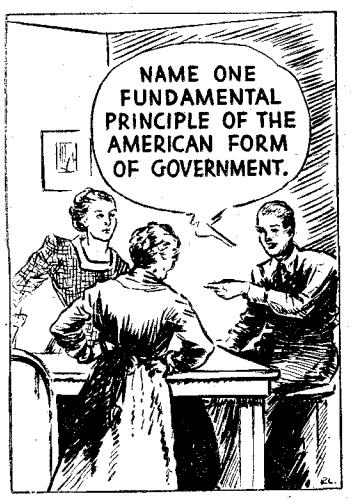
You'll Enter Contest Some Time--Do So Now and Persevere To End

QUESTIONS FOR THIS WEEK

Picture No. 23



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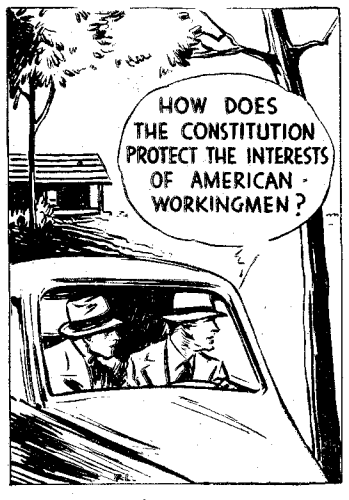

Make Your Selection by Number from Following Lists:

1. Consent of the governed is not morally necessary to the exercise of government.
2. The State is the servant of the people.
3. The people are the servants of the State.
4. Christianity is necessary to good government.
5. Belief in a personal God and worship of Him are necessary to good government.
6. The Supreme Court ranks higher in importance than Congress or the Executive.

1. By conferring on them special rights and privileges above those of capital.
2. By guaranteeing them against exploitation by the rich.
3. By providing for collective bargaining in industry.
4. By preventing political, economic or labor dictatorship.
5. It is based upon Christian principles.
6. It gives free rein to Congress and the Executive.

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN KA
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 23 For Question No. 23 I Select Answer No..... ☐ No. 24 For Question No. 24 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

EXTRA COUPON FOR FRIEND OR RELATION

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN KA
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 23 For Question No. 23 I Select Answer No..... ☐ No. 24 For Question No. 24 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

Rules of Contest

1. Open to all readers of SOCIAL JUSTICE except employes of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, June 21, 1937. Each picture contains a question dealing with a live economic or social problem affecting the United States during the current year.
3. A Grand Prize of $2,750.00 will be awarded to the reader of SOCIAL JUSTICE returning the best or most appropriate answers to the 50 questions, such answers to be based upon the viewpoint of Father Coughlin as expressed in the columns of SOCIAL JUSTICE or in his public utterances. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in the order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly Coupon; and to obtain at some time during the Contest one NEW yearly subscriber to SOCIAL JUSTICE at $2.00 per year. The remittance of 10 cents in coin and the effort of obtaining the subscription is in payment for a handsomely illustrated 105-page book descriptive of the Shrine of the Little Flower. Purchase of this book, which will be delivered after the close is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for Coupons arriving unduly late. By entering the Contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties additional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do NOT decorate Coupons. Neatness will NOT count.
8. Any inquiry the reply to which could not affect outcome of Contest will be acknowledged.
9. A contestant may send in any number of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set, and one yearly subscription for each set submitted will be entitled to one book for each set.

ADDRESS—

"CONTEST EDITOR"

SOCIAL JUSTICE

ROYAL OAK, MICH.

How To Proceed As A Contestant

1. Study the questions. Mark your selection of the best or most appropriate answers on the Coupon below the picture and send in EACH WEEK with 10 cents in coin (not stamps).
2. If you wish, you may pay up in full, $2.50 NOW, and then send in your weekly Coupons without further remittance.
3. Each question will pertain to a live AMERICAN ISSUE discussed in the columns of SOCIAL JUSTICE. One of the list of suggested answers underneath each picture will be the best or most appropriate FROM THE VIEWPOINT OF FATHER COUGHLIN AND THIS WEEKLY ON NATIONAL SOCIAL AND ECONOMIC ISSUES. It is your job, as a contestant, to try to select that particular answer.
4. Each contestant who completes a fully qualified set of 50 answers will receive, without further cost, a handsome 105-page souvenir book descriptive of the Shrine of the Little Flower at Royal Oak, with 63 beautiful illustrations.
5. In order to qualify for the prizes, a contestant is required to remit $2.50 for each complete set of solutions submitted, and also to obtain one NEW yearly subscriber to SOCIAL JUSTICE at the annual subscription price of $2.00 per year. This subscription may be sent in at any time during the 25 weeks duration of the Contest.
6. If you run more than one set of answers, be sure to mark your sets "Set 1," "Set 2," "Set 3," etc. Each set stands alone in the judging. Coupons are NOT taken from one set to fill in bad "holes" in another set.

READ RULES CAREFULLY AND ENTER TODAY!

Resolve Today To Win Grand Prize

No More Substitutions

Substitution of one coupon for another is discontinued. Since computation for winners has begun, much confusion would result if contestants were permitted to send in substitute coupons for those already filed.

Therefore, be sure from now on that the coupons you send in bears the solutions you ACTUALLY WANT TO GO DOWN ON THE COMPUTATION SHEETS AS YOUR ANSWERS TO THE RESPECTIVE QUESTIONS.

If you are not yet entered, ENTER TODAY. IF you already are a contestant, kindly do not send substitute coupons from this date forward.

Over the hill and down the other side to the distribution of more than $8,000.00 in awards to 335 readers of SOCIAL JUSTICE!

That is the status of our **"KNOW AMERICA" Contest** today — because it is right at the half-way mark.

Only a few weeks remain until another list of happy winners will be made public. Only a few weeks until some man or woman, boy or girl will feel the thrill of winning a Grand Prize of $2,750.00. Only a few weeks until 334 other persons who have the PERSEVERANCE to work out their solutions every week right to the end will share in the greatest aggregation of prizes ever given for a contest of this nature.

There is no time like the PRESENT for you to enter this great competition.

ANY READER OF THIS WEEKLY REVIEW CAN WIN THE GRAND PRIZE.

ANY READER WHO KNOWS OUR COUNTRY AND WHAT IS GOING ON CAN WIN ANY OF THE 335 PRIZES.

YOU CAN WIN $2,750.00 — IF YOU ENTER.

DO THAT VERY THING TODAY.

USE THE "PAST PICTURE COUPON" NOW.

Is Your Prize Here?

335 Will Win

GRAND PRIZE $2,750.00

Second Prize $1,250
Third Prize $500
Fourth Prize $200
Fifth Prize $75

10 PRIZES OF $50.00 EACH
20 PRIZES OF $25.00 EACH
100 PRIZES OF $10.00 EACH
200 PRIZES OF $ 5.00 EACH

FREE---Past Pictures---FREE

CONTEST EDITOR
SOCIAL JUSTICE
ROYAL OAK, MICH.

I wish to enter the "KNOW AMERICA" Contest at once and be on an even footing with all other contestants.

Please send me free of charge, all Past Pictures which have appeared up to date.

Name.....

Address.....

City.....State.....

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Inside Story of Chicago Bank Crash

Little Fellow Squeezed Out By "Merger"

Central - Republic Bank And Trust Company Not Insolvent When Depositors Lost Savings

By the Financial Editor of SOCIAL JUSTICE

CHICAGO, ILL. — Following up the $90-million Dawes loan to the Central-Republic Bank and Trust Company by the Reconstruction Finance Corporation, we left the preceding chapter with $60-million being repaid to the Federal Reserve Bank of Chicago and from all indications, the bank was in a sound position on July 1, 1932.

On July 13, 1932, Owen D. Young appeared at a meeting of the board of directors of the Reconstruction Finance Corporation and stated that in his opinion, the Central Bank and Trust Company **would have to go into liquidation.**

According to minutes of the board, Mr. Young said that "he desired, first of all, to advise the board that he had no personal interest whatever in the matter except his personal friendship for General Dawes, who had asked him to come to Chicago and spend the weekend with him. He stated he had gone into a partially developed plan which the bank had in mind and which, it was thought, would relieve the situation."

Dawes Had New Bank in Mind

Owen D. Young then informed the board of directors of the R. F. C. that Charles G. Dawes was contemplating organizing a new national bank, with a capital of $3-million or $4-million, taking over the deposits of the Central Republic Bank and Trust Co. and taking over from personnel of that bank only "the younger men who had demonstrated their capacity." Mr. Young then proposed that the R. F. C. furnish $50-million to the Central-Republic Bank and Trust Co. which could then transfer **sufficient funds to the proposed new bank to pay the deposit liabilities in full.** The new bank would then make a cash purchase (out of the borrowed money) of between $20-million and $30-million of prime collateral which had been pledged to the R. F. C. as security for the loan of the old bank (The Central Republic Bank and Trust Co.)

The result of such a loan, Mr. Young said, would be to diminish the R. F. C.'s loan to the old bank from $90-million to approximately $60-million or $65-million. He pointed out that the ratio of the face value of collateral securing the loan in that amount would be much greater than the ratio of collateral supporting the $90-million loan.

Liquidation Certain Young Tells R. F. C.

Mr. Young went on to state that the board saw no objection to the proceeding, he would notify General Dawes at once to mobilize all his efforts and resources to see if he could get the capital for the new bank.

Mr. Cowles asked what would happen to the "present lease on the bank building, which amounts to $780,000 a year" and Mr. Young replied that General Dawes had an arrangement with the landlord that the new bank would be permitted to take over the large banking floor for $150,000 a year for two years.

Mr. Bogue inquired if the plan would relieve the stockholders of the old bank of their stockholders liability, and Mr. Young replied that it would not. It was the purpose of General Dawes, he added, to offer the stock of the new bank to the stockholders of the old bank on a pro-rata basis.

Mr. McCarthy said he assumed that it was Mr. Young's judgment that the bank (The Central Republic Bank and Trust Co.) would have to go into liquidation in any event. **Mr. Young replied that in his opinion, there was absolutely no question on that point.**

$20-Millions Released to Bank

After a general discussion, the board of directors appointed a committee to take the matter under advisement. On July 19, 1932, the R. F. C. sent Allen E. Throop, a member of the its legal division, to Chicago "to investigate all aspects" of the proposition of Owen D. Young and report the findings.

On July 22, 1932, the board of directors of the R. F. C. released collateral of a face amount of $20-million from the Federal Reserve Bank of Chicago to the Central Republic Bank and Trust Co. **"So that it could carry on its business and function as a bank."**

On August 3, 1932, Henry M. Dawes, Harry B. Hurd, directors, and C. C. Haffner and Arthur T. Leonard, vice presidents of the Central Republic Bank and Trust Co., appeared before a meeting of the board of directors to discuss the proposed plan for the formation of a new bank.

On the following day, the committee of the R. F. C. reported to its board that it was willing to go through with the proposed plan of Owen D. Young's providing certain conditions were observed.

R. F. C. Stipulates Conditions of Deal

Some of these conditions were as follows: That the new bank be organized with a capital and surplus of $5-million; that the new bank agree to service the activities of the real estate loan and trust departments of the Central Bank for the life of the loan from the corporation; that the New York bank creditors to the Central Bank and the Federal Reserve Bank of Chicago approve the plan, etc.

A most important condition was that the details involved in the satisfying of the foregoing conditions **be carried out in a manner satisfactory to general counsel of the R. F. C.**

These conditions were complied with and the new bank, known as the City National Bank and Trust Co. of Chicago, opened October 6, 1932.

Why Was Old Bank Closed?

The point is **why was the Central Republic Bank and Trust Co. thrown into receivership?**

From the organization of the bank until October 6, 1932, the surplus of the bank remained constant at $10-million and the undivided profits were never less than $1,508,198.65.

Irrespective of whether the test of insolvency is under the Bankruptcy Act, or the test of the Illinois courts, it is obvious that **the bank was not insolvent prior to October 6, 1932.**

The R. F. C. attempted to establish the "failing circumstances" of the Central Republic Bank and Trust Co. by comparing its "unpledged assets" on July 30, 1932, and October 5, 1932, with its deposit liability on those dates. However, the uncontradicted facts are as follows:

1. On June 27, 1932, the R. F. C. acquired all of the assets of the Central Republic Bank and Trust Co., amounting to over $118-million. Only the "cash means" were excluded.

2. Those assets were pledged to secure a proposed loan to the Central Republic Bank and Trust Co. of $95-million.

3. On or before June 29, 1932, Central Republic Bank received from the R. F. C. loans aggregating $70-million of which $30-million was repaid on June 30, 1932. The bank received no further sums from the R. F. C. prior to October 5, 1932.

4. On July 22, 1932, the R. F. C. "felt it necessary" to return $20-million of collateral it had received from the Central Republic Bank to that bank so that it could continue to "function as a bank."

5. On August 10, 1932, the R. F. C. refused Central Republic $475,000 cash upon that bank's offer to substitute collateral of an equal amount of face value.

6. During the entire period from June 27, 1932, to October 6, 1932, the R. F. C. held an excess of collateral in the aggregate amount of $78-million over and above the amount required by its board of directors to be held as security for the loans made by them to the bank.

Small Depositors Just Frozen Out

7. If the R. F. C. had a sound commitment and was under an obligation to loan the $50-million to the bank, then this sum should be considered as part of the assets of the bank in determining its condition during the period from June 27, 1932, to and including October 5, 1932. If the R. F. C. was not under a binding commitment to loan the $50-million, then it should have returned the excess collateral in the amount of $78-million to the bank.

In either event, the bank would have had sufficient assets to pay in full all of its creditors, including the depositors of the bank.

Because of this, 13,000 depositors with amounts of less than $25 were frozen out by the entire transaction. The more tenacious of them were sent from the Central Republic Receiver to the new City National Bank to the R. F. C. offices, in other words, from pillar to post.

In any event, the sum total of the evidence does not prove **that prior to October 6, 1932, the Central Republic Bank was ever insolvent.**

How R. F. C. Favors Banks at Expense of the People

The following article appeared in a recent issue of the Wall Street Journal. It is a tale of high-finance where the American people are called upon to pay more interest than is necessary in order that the R. F. C. may have a good showing. It is so raw that we reprint it in its entirety—including the headlines!

R. F. C. Saves Itself $2,400,000 at Cost To U. S. of $500,000

Takes Advantage of Spread Between Rate Charged by Treasury and Market Quotation.

WASHINGTON, D. C. — The Reconstruction Finance Corp., in its latest borrowing and refunding operations, has saved itself about $2,400,000—at a net cost to the government of between $500,000 and $600,000.

Upshot of this paradoxical situation is that several banks, including 14 in New York, now hold $124-million of tax-exempt government securities bearing between .25 per cent and .75 per cent more interest than any comparable federal issue which they could have bought in the open market.

What causes this curious mix-up, in which a saving for one federal agency results in a net loss to the government and a net gain to several banks, is the complexity of government lending machinery, which in this case, operated not unlike a holding company system with the parent charging the subsidiary high interest rates.

Has to Pay Treasury 2¼ Per Cent

If the R. F. C. borrows from the United States Treasury, which is the normal way for it to raise money, it has to pay 2½ per cent interest. Obviously, this is considerably above open market rates on short-term issues.

To a sharp horse-trader like R. F. C. Chairman Jesse H. Jones, who started building his fortune by trading off a cow, the spread between open market rates and the rate charged by the Treasury looked like an opportunity to save some money.

The R. F. C. since July 1, has issued $82-million of notes maturing December 15, 1938, and bearing 1½ per cent interest. This block of notes went to banks which had purchased old 2 per cent R. F. C. notes matured July 1. In addition, the R. F. C. sold for cash another $42-million of these notes, which carry the same tax-exemption as Treasury bonds, on a 1¼ per cent basis.

Heavy Premium Over Market

During the period in which the R. F. C. was issuing this $124-million of tax exempt securities on a 1¼ to 1½ per cent yield basis, comparable Treasury notes (government bonds) were selling in the open market for yields ranging from .6 per cent to 1 per cent. In other words, the R. F. C. was paying a heavy premium over the market, selling its notes privately.

Therefore, R. F. C. Chairman Jones avoided paying the Treasury about $4,185,000 in interest on $124-million and will pay instead $1,732,000 to the banks which bought the R. F. C. notes, an apparent "savings" of $2,453,000 made at the expense of the Treasury Department.

But had the Treasury borrowed the $124-million for the R. F. C., enabling that agency to pay off its maturities and increase its cash by $42-million, the borrowing could have been done at .75 per cent or 1 per cent on the basis of the prevailing Treasury note yields. In other words, instead of paying $1,732,000 in interest the Treasury could have obtained it for $1,240,000 or $930,000.

The government (the people) is paying and the banks are receiving $500,000 to $600,000 more in interest than was necessary. A paper saving to the R. F. C. results in a net loss to the government.

The Searchlight

Should Inflation Come; Here's Why

Associated Press Dispatch from Washington, D. C.

The latest thing in directors' board rooms—the one in the Federal Reserve's new $3,484,000 building—will have its first cigar-smoke baptism tomorrow (Friday, August 13).

It puts to shame Hollywood's most super-colossal conception of the kind of place in which big bankers meet.

The conference table—best described as the remains of a good sized mahogany forest—is 50 feet long.

The pegs on which the monetary-minded gentlemen will hang their hats are classically designed stars of bronze.

A chandelier—as big as an automobile—is the room's only artificial lighting.

Around the walls are graphs—the rude ups and downs that give bankers such starts — painted in soft, harmonious pastels.

Only one thing seems to be wrong: If the chairman wants to say something to an official at the far end of that 50-foot table he's going to have to shout mighty loud.

Urge Use of Gold To Reduce U. S. Debt

WASHINGTON, D. C.—Republican members of the House Committee on Banking and Currency consisting of Representatives Charles L. Gifford and Robert Luce of Massachusetts, Hamilton Fish of N. Y., D. A. White of Ohio, and Fred L. Crawford and Jesse P. Wolcott of Michigan—urged that the gold now buried in Kentucky soil be exhumed, that no more gold be bought, and that the yellow metal be applied to the reduction of the national debt "as rapidly as may be done without inflation."

The same day's Treasury statement showed a total in gold assets of $12,475,271,706.15. "Inactive gold," however, mounts to $1,243,849,083.97.

The *Congressional* statement charged:

"The United States has come to have in its Treasury nearly 12 and a half billion dollars' worth of gold, more than half of all the gold in the world. Before the buying began five billion was found to be ample for our needs.

"The inactive gold serves no useful purpose whatever, but if applied to the reduction of the public debt would save the taxation now necessary to pay interest on bonds for borrowing money to buy the gold to be buried.

"We pay for gold nearly if not quite twice the average cost of production. A large part of the huge profit accrues to the advantage of countries owing us big debts they will not even reduce."

Slumps Always International

NEW BRUNSWICK N. J. — Col. Leonard P. Ayres, vice president of the Cleveland Trust Company and chairman of the Economic Policy Committee of the American Bankers' Association, recently told the Graduate School of Banking at Rutgers University that that all "exceptionally serious depressions were international in character," because of the assinine policies of "a small group of international bankers whose only law is profit and whose only creed is greed."

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No Recovery Without Financial Reform

SOCIAL JUSTICE

Father Coughlin's Weekly Review

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Iowa Hog Farmer Group Out To Recover Process Taxes

C. I. O. Got Mine Workers $915 Wage Per Man a Year

Union Dues As High As 10 Per Cent of Pay Taken by Lewis Plan Of Check-off

By Staff Correspondent Of SOCIAL JUSTICE

WASHINGTON, D. C. — The latest issue of Labor Information Bulletin throws a cruel light on the alleged benefits John L. Lewis, leader of the Committee for Industrial Organization, has bestowed on the numerous union coal miners who pay him tribute.

No better proof of how mine employes are being exploited under Lewis' leadership is to be had than in the cold facts and figures of the Bulletin, published monthly by the United States Department of Labor.

A computation of the annual earnings of soft coal miners in 1935, the latest available, shows that 60 per cent of such workers in the nation earned less than $1,000 a year.

Pay Averages $915 Per Miner

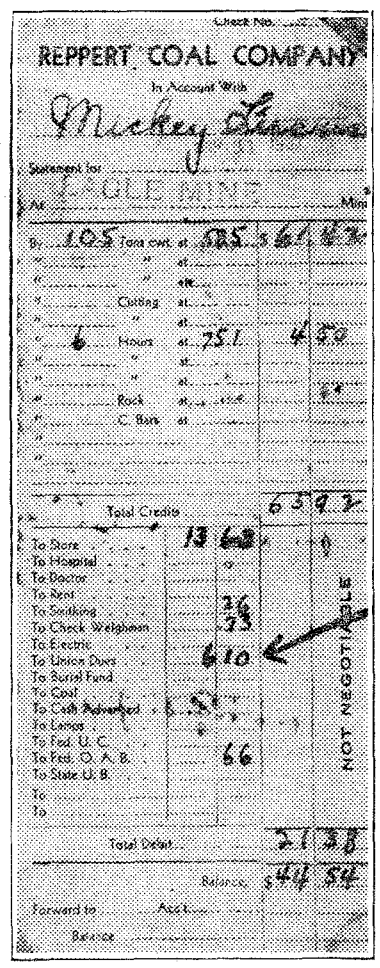
Forty per cent earned less than $800 a year. The gross annual earnings of all bituminous coal workers during 1935 averaged about $915 per man. That excludes deductions for union dues and other expenses for the purchase of equipment, such as tools, explosives and safety lamps.

That, probably, is the C. I. O. idea of a living annual wage —for the miners. For himself, Lewis draws down a yearly "take" of $12,000, not including generous expense allowances, most of it gouged from the slender pay envelopes by the iniquitous "check off" system.

The term "take" (instead of salary) is used advisedly, for union dues are deducted from the wages of the miners by the employers and turned over to Lewis. **The mine chief gets his cut before the miners even see their pay envelopes.**

Pay 10 Per Cent For Union Dues

In months when work is plentiful Lewis assesses the miners as much as 10 per cent of their wages for union dues. For verification of this, see the photostated copy of the pay voucher of a United Mine Workers' Union member, elsewhere in this edition.



Two weeks' pay voucher of Mickey Lucas, a miner employed near Clarksburg, W. Va. Note that he pays John L. Lewis 10 per cent of his wages for the privilege of belonging to the United Mine Workers.

According to the aforementioned Labor Bulletin, about 60 per cent of the bituminous coal miners in the United States are employed in Pennsylvania, West Virginia and Illinois.

The average yearly income of soft coal miners, regardless of the amount of work they obtained during the year, amounted to $980 in Pennsylvania, $945 in Illinois and $935 in West Virginia. Out of every 1,000 such miners employed in these three states, 304 in Pennsylvania, 332 in Illinois, and 361 in West Virginia averaged less than $800 a year.

Out of every 1,000 workers in the entire industry who received pay at some time or other during the year—

216 earned less than $60:
175 earned $ 600 and under $ 800
218 earned $ 800 and under $1,000
171 earned $1,000 and under $1,200
99 earned $1,200 and under $1,400
80 earned $1,400 and under $1,800
41 earned $1,800 and over.

Behind the Washington News Front

WASHINGTON, D. C.—Senator Sherman Minton, Indiana Democrat, New Deal wheel horse and yachting companion of the President's family, thinks ex-Gov. Paul V. McNutt, now American high commissioner to the Philippines, would be a "natural" for president in 1940.

"I don't think the President will be a candidate for a third term. **I am taking him at his word,**" Minton told the newspapers.

* * *

Senator Frederick Van Nuys joined his Hoosier colleague in the endorsement of McNutt for 1940.

McNutt has been Roosevelt's ace-in-the-hole for Van Nuys' job.

* * *

Secretary of Agriculture Henry A. Wallace in a letter to the editor of the Saturday Evening Post charges "dirty politics," saying that a recent editorial in the Curtis weekly "falsely attributed subversive views to me."

As Much Coffee Is Burned Daily as Is Consumed

RIO DE JANIERO, BRAZIL.—The waste that prevails under the present system fostered by greed of the international bankers is graphically illustrated in Brazil's recent orgy of coffee destruction. To keep the price up to 11½ cents a pound, 30 per cent of the 1937-38 crop was shoveled into the ocean or baked into bricks for fuel; 40 per cent of this year's crop was stored and the remaining 30 per cent sold.

To obtain a clear picture of the amount of coffee destroyed by producing countries in order to bolster the price structure of the bean, it may be pointed out that **for every pound of coffee consumed in the world in one day, an equal amount is sent to the bonfire.**

It matters not to the international banker if there is want in the midst of plenty. All he is interested in is bolstering the price market to the highest point the traffic will bear. His dictatorial ultimatum is "Burn any surplus. Let the mob starve. They don't know what it is all about anyhow."

Growers Claim Right to Share 'Windfall' Fund

Action Based on Revelations by Writer In Recent Columns of SOCIAL JUSTICE

By Staff Correspondent Of SOCIAL JUSTICE

WASHINGTON, D. C. — Inspired to action by an article which appeared in SOCIAL JUSTICE about six months ago, a militant group of hog-producing Iowa farmers have opened negotiations to retrieve the processing taxes which they unjustly bore under the unconstitutional A. A. A.

Led by Edward E. Kennedy, their Washington representative, and Representative William Lemke, their Congressional supporter, the farmers are demanding "equal rights" with processors in the refund of these taxes, held in custody by the Treasury Department since the passage of the 1936 revenue act.

That act set up the so-called "windfall tax" fund. It entitles those who were compelled to pay processing taxes during litigation proceedings prior to invalidation of the A. A. A. to file claims with the government for the purpose of recovering the assessments.

Farmers' Demands Surprise Capital

The Iowa farmers' demands came as a shock to official Washington, since it was assumed that wealthy processors had a "corner" on the "windfall" fund.

SOCIAL JUSTICE was the first publication in the nation to explode this false assumption and openly espouse the cause of the farmers. In an article, written by Mr. Kennedy, this paper asserted that, in the case of hogs at least, the farmer and not the processor had paid the A. A. A. tax. **It was shown that the tax had actually been deducted from the sales price the farmer received for his hogs.**

When the 1936 revenue act was written, no provision was made to protect the equity of the farmer. Under the act, processors alone were authorized to share in the tax refunds.

To right this wrong, Representative Lemke has stepped into the breach with a bill entitling farmers "who raised or produced and marketed hogs for slaughter" to obtain refunds, providing the farmers can show that "all or part of the burden of the processing tax was charged to and borne by the raisers and producers, and was in fact deducted from the market price of such hogs."

Other Leaders Support Move

Paced by Donald Van Vleet, president of the Iowa state union of the National Farmers' Union, several thousand farmers have organized a movement known as the "Farmers Processing Tax Recovery Association." They insist that the farmer bore the burden of the tax on hogs and that he is entitled to a refund "by the same rules of equity and justice by which the processors and packers receive a refund."

Other leaders in the movement are A. J. Johnson, vice president of the Iowa state union, George De Bar, director, and C. O. Dayton of Washington, Iowa. These three and Van Vleet recently called on every farm Congressman in Washington and were assured of the support of all at the next session of Congress.

The Lemke resolution enables farmers to file their claims individually or to pool them by "assignment," such as to the F. P. T. R. A., with the commissioner of internal revenue. It will not require additional legislation nor separate appropriations.

It gives the hog producers exactly the same right, provides the use of the same machinery, and allows him the same method of procedure now used by packers and processors.

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